Foreign
Broadcast
Information
Service
ANNIVERSARY
1941 - 1991

Daily Report

East Asia

FBIS-EAS-91-195
Tuesday
8 October 1991

Daily Report
East Asia

FBIS-EAS-91-195 CONTENTS *8 October 1991*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

ASEAN Economic Ministers Meeting Opens 7 Oct *[Bangkok Radio]* 1
Mahathir Addresses ASEAN Meeting Opening 1
    Calls for Environmental Stand *[BERNAMA]* 1
    Urges Economic Grouping *[BERNAMA]* 2
    Stresses Modifying EAEG *[BERNAMA]* 2
    Notes Necessity of EAEG *[Kuala Lumpur International]* 2
Malaysian Trade Minister Stresses New Strategies *[BERNAMA]* 3
ASEAN Ministers Endorse Free Trade Area *[BANGKOK POST 8 Oct]* 3
UN Body Warns of AIDS 'Explosive Epidemic' *[Manila Radio]* 4

NORTHEAST ASIA

Japan

$2.5 Billion in Emergency Aid Slated for USSR *[Tokyo TV]* 5
    Debt Rescheduling Not Considered *[KYODO]* 5
    Temporary Repayment Freeze Possible *[KYODO]* 5
    Hashimoto on Policy 'Turnaround' *[KYODO]* 6
    Change Not Prompted by EC *[KYODO]* 6
Mitsuzuka Discourages Large-Scale Soviet Aid *[KYODO]* 7
Team Leaves for Siberia To Gather POW Remains *[KYODO]* 7
Komeito Chairman Departs for PRC Visit 7 Oct *[KYODO]* 8
    Reportage on Delegation's Visit *[cross-reference]* 8
Money for Developing Countries Falls 21 Percent *[KYODO]* 8
New Zealand Businessmen Begin Annual Talks *[KYODO]* 8
Keidanren Calls Antidumping Abuses Protectionist *[KYODO]* 9
Agriculture Minister Briefs Kaifu on Farm Talks *[KYODO]* 9
Farm Cooperatives Call for Rice Self-Sufficiency *[KYODO]* 9
LDP Proposes Convening Special Diet Session *[KYODO]* 10
KYODO Profiles LDP Presidential Hopefuls *[KYODO]* 10
Takeshita Faction Postpones Decision on Candidate *[KYODO]* 11
'Big Four' Brokerages Penalized Over Scandal *[KYODO]* 11
Revised Weapon Export Ban Effective 14 Nov *[KYODO]* 12
Research Exchange Law Draft Revision Completed *[KYODO]* 12

Mongolia

Formal Diplomatic Ties Established With Israel *[Beijing XINHUA]* 12
Commodity Inspection Accord With Inner Mongolia
    [Hohhot NEIMENGGU RIBAO 18 Aug] 13
Vice Labor Minister on Search for Jobs Overseas *[Beijing XINHUA]* 13

North Korea

Yon Hyong-muk, Delegation Return From UN *[KCNA]* 13
Daily Demands Total U.S. Withdrawal From South *[KCNA]* 13
'Indomitable' DPRK-China Friendship Hailed *[Pyongyang Radio]* 14
Delegations Depart for, Arrive From PRC *[KCNA]* 16
PRC Newspaper Delegation Arrives in Pyongyang *[KCNA]* 16
XINHUA Delegation Arrives in Pyongyang *[KCNA]* 16

UK Communist Party Delegation Arrives 4 Oct *[KCNA]* 16
Meets Leaders *[KCNA]* 16
Representative to UN Presents Credentials *[Pyongyang Radio]* 16
New Ambassador to Uganda Presents Credentials *[Pyongyang Radio]* 16
Citizens Welcome Student Defector From South *[KCNA]* 17
Diploma Awarded to South 'Martyr' Student *[KCNA]* 17
Student Leader Previews Panmunjom Meeting *[KCNA]* 17
North-South Student Working Talks Obstructed *[KCNA]* 18
South Authorities Policy on Students Criticized *[KCNA]* 18
Student Leaders Discuss Prevention of Contacts *[KCNA]* 18
South Students Not Allowed To Present Namelist *[KCNA]* 19
Religious Groups Condemn Obstruction of Meeting *[KCNA]* 19
Trade Union Head Urges Allowing Student Meeting *[KCNA]* 20
South Government Pursuit of Dissidents Denounced *[KCNA]* 20
Protecting People Cited as Party's Principle *[KCNA]* 20
KCNA Reviews 7 Oct Pyongyang Press 21
KCNA Reviews 8 Oct Pyongyang Press 22

South Korea

No Tae-u Interviewed on Reunification, Economy *[KYONGHYANG SINMUN 5 Oct]* 23
Experts View 'Failed' Kim Il-song Trip to PRC *[THE KOREA TIMES 8 Oct]* 26
PRC Minister Cited on North Nuclear Program *[TONG-A ILBO 5 Oct]* 27
PRC Forms 'Equidistant Policy' on Two Koreas *[CHUNGANG ILBO 5 Oct]* 27
Imports From PRC Increase by 61 Percent *[YONHAP]* 27
Imports of PRC Electronic Goods Increase *[YONHAP]* 27
Poll Finds Majority Favor U.S. Presence *[THE KOREA TIMES 8 Oct]* 28
ROK To Attend Aviation Conference in Beijing *[YONHAP]* 28
Opposition Urges Trilateral Denuclearization Talks *[YONHAP]* 28
Seoul To Offer 'Progressive Proposal' to North *[YONHAP]* 29
ROK To Back North's Attempts To Obtain Loans *[YONHAP]* 29
North, South To Attend UN Environmental Meeting *[YONHAP]* 29
North-South Direct Tourist Exchange Expected *[PUSAN ILBO 30 Sep]* 30
Kim Chong-il Said Born in Soviet Union *[CHUNGANG ILBO 4 Oct]* 30
North Willing To Discuss Arms Reduction at Talks *[Seoul TV]* 31
North Worker in USSR Defects From Siberia *[Seoul Radio]* 31
Kim Tae-chung Views Political Situation *[SINDONG-A Aug]* 31
Coastal Site Selected for Nuclear Waste Disposal *[THE KOREA ECONOMIC WEEKLY 7 Oct]* 38
Report on Five-Year Economic Plan Presented *[YONHAP]* 38
Ministry Reports Trade Deficit With EC Nations *[YONHAP]* 39
Imports of Controlled Strategic Commodities Rise *[YONHAP]* 39
Rice Harvest To Drop by 3.8 Percent *[YONHAP]* 40
* Irregular Activities by Foreign Banks in Korea *[CHUGAN MAEKYONG 24 Jul]* 40
* Daewoo Expands Overseas Branches *[HANGUK KYONGJE SINMUN 22 Jul]* 45

SOUTHEAST ASIA

Burma

Air Force Delivers Errant Plane to Thai Envoy *[Rangoon Radio]* 47
Minister Returns From WHO Conference *[Rangoon Radio]* 47
Exiled Dissidents Tell of SLORC Coercion *[Bangkok THE NATION 5 Oct]* 47
Representative Resigns for Health Reasons *[Rangoon Radio]* 48

Brunei, Malaysia, & Singapore

Malaysia

Aceh Separatists Condemn Repatriation of Refugees *[AFP]* 48
Islamic Movement Denies Operating Radio Station *[Kuala Lumpur Radio]* 49

Cambodia

- French, UK Firms Sign Oil Exploration Contract *[Phnom Penh Radio]* 49
  - Chea Sim Receives Delegation *[SPK]* 49
- Leaders Attend Tree Planting Ceremony in Kandal *[Phnom Penh Radio]* 50
- UNDP Gives Relief Aid to Flood Victims *[SPK]* 50
- Chea Sims Visits Flood Victims in Kompong Cham *[SPK]* 51
- Radio Notes Nationwide Flood Damage to Crops *[Phnom Penh Radio]* 51
- Figures for Industrial, Subsidiary Crops Reported *[Phnom Penh Radio]* 51
- Khmer Rouge Forces Violate Cease-Fire 30 Sep *[SPK]* 51
- Guerrillas Accused of Ignoring Cease-Fire *[AFP]* 52
- Pro-Sihanouk Guerrillas Deny Land Grabbing *[AFP]* 52

Indonesia

- Suharto Addresses International Energy Conference *[Jakarta Radio]* 53
- Amicable Settlement Expected on Island Dispute *[Jakarta Radio]* 53
- Diplomatic Relations With Mozambique Established *[ANTARA]* 53

Laos

- Spokesman Denies Photo Depicts U.S. MIA *[Vientiane Radio]* 54
- Kaysone Phomvihan Slated To Visit Vietnam 'Soon' *[KPL]* 54
- Iranian Deputy Foreign Minister Arrives on Visit *[KPL]* 54
  - Visit Strengthens Ties, Cooperation *[Vientiane Radio]* 55
- Nouhak Phoumsavan Receives New Burmese Envoy *[Vientiane Radio]* 55
- Ministers Attend German Reunification Reception *[Vientiane Radio]* 55
- Thirty-Five Refugees Return From Thailand *[Vientiane Radio]* 55
- DPRK Leaders Send Thank-You Messages *[KPL]* 55
- Damage to Rice Crops in Luang Prabang Reported *[KPL]* 55
- Article Urges Vigilance, Discipline in Military *[Vientiane Radio]* 55
- Mass Organs Advised To Fulfill New Obligations *[Vientiane Radio]* 56

Philippines

- U.S., USSR Arms Cuts 'Welcome Development' *[THE CHRONICLE 8 Oct]* 57
- Government Not To Give U.S. Termination Notice *[THE CHRONICLE 8 Oct]* 57
- Antibases Senators Remain Firm on 1-Year Period *[Manila Radio]* 58
- Simbulan: U.S. Admits Violating Constitutions *[Quezon City Radio]* 58
- Grace Period Way 'To Interfere' With Polls *[Manila Radio]* 58
- Saguisag Says U.S. Troops May Stay Beyond 1994 *[PHILIPPINE DAILY INQUIRER 8 Oct]* 59
- Official: U.S. Should Clean Up Nuclear Waste *[PHILIPPINE DAILY INQUIRER 8 Oct]* 60
- Manila To Convert Wallace for Industrial Use *[BUSINESS WORLD 8 Oct]* 60
- Senators To Be Consulted on Note to U.S. *[Quezon City Radio]* 61
- Practicality of Shortened U.S. Presence Viewed *[THE CHRONICLE 8 Oct]* 61
- Enrile, Maceda Withdraw Objections to De Villa *[Quezon City Radio]* 62
- Rebel Soldiers Given Until 8 Oct To Return *[Manila Radio]* 62
- Group Accuses Mitra of Peace Talk Politicking *[Manila Radio]* 63
- Military Rebels' Peace Talks Failure Denied *[Manila Radio]* 63
- Cease-Fire Proposed To Help Hostage Release *[Manila Radio]* 63

Thailand

- Anan on 'Possible' Rally During IMF Meeting *[Bangkok Radio]* 63
- Anan Urges Development of U-Taphao Airport *[THE NATION 6 Oct]* 64
- Air Force Chief on New Planes, U.S. Bases *[THE NATION 5 Oct]* 64
- Editorial Seeks Speedy End to Corruption Probe *[THE NATION 8 Oct]* 66
- Rice Exports Increase in First 8 Months of 1991 *[Bangkok Radio]* 67

Vietnam

Anti-U.S. Bases Struggle in Philippines Hailed *[NHAN DAN 19 Sep]* 67
Hanoi High School Soccer Team Ends U.S. Tour *[VNA]* 68
Minister Says Japan Lacks 'Positive Attitude' *[AFP]* 69
PRC Party Officials Arrive in Hanoi 3 Oct *[VNA]* 69
    Hold Talks With CPV Officials *[VNA]* 69
    Received by Le Duc Anh 5 Oct *[VNA]* 69
Vo Van Kiet Interviewed on Ties With PRC *[Hanoi TV]* 70
Do Muoi Receives Visiting Lao Youth Delegation *[Hanoi TV]* 70
Protection of Vietnamese in Germany Urged *[VNA]* 70
    More on Attacks on Vietnamese *[AFP]* 71
Swedish Organization's Representative Visits *[VNA]* 71
Doan Khue Attends Party Organization Congress *[NHAN DAN 26 Sep]* 71
Le Kha Phieu Addresses Navy Party Congress *[Hanoi TV]* 71
Do Muoi Pays Visit to Railroad Enterprise *[Hanoi Radio]* 72
Council of Ministers Views Economic Issues *[Hanoi Radio]* 72
Oct 91 Issue of Army Journal Reviewed *[Hanoi Radio]* 73
VNA Reviews Industrial News 3 Oct 74

AUSTRALASIA

Australia

Business Mission to RSA Delayed Over Sanctions *[AFP]* 75

New Zealand

State Television Sells Service to Western Samoa *[AFP]* 75

ASEAN Economic Ministers Meeting Opens 7 Oct

BK0710100791 Bangkok Radio Thailand Network in Thai 0530 GMT 7 Oct 91

[Text] The 23d ASEAN economic ministers meeting kicked off at the Shangri-la Hotel, Kuala Lumpur, this morning. Wanna Wutthiaphon, Public Relations Department correspondent stationed at the Thai Information Office in Kuala Lumpur, reported shortly before noon today.

[Begin Wanna recording] Today at 0900 local time, the 23d ASEAN Economic Ministers Meeting was opened at the Shangri-la Hotel, Kuala Lumpur. The opening ceremony was presided over by Malaysian Prime Minister Datuk Sri Dr. Mahathir Mohamed.

Attending the meeting were economic ministers from all the six ASEAN member countries comprising Indonesia, Singapore, the Philippines, Brunei, Thailand, and the host country Malaysia.

The opening address by Dr. Mahathir Mohamed can be summed up as follows:

The combined trade volume among all the ASEAN countries is only one tenth of ASEAN's total international trade volume. Therefore, the Malaysian prime minister proposed that there should be a grouping of East Asian and ASEAN countries to enable them to have a greater bargaining power in trade with other countries.

The Malaysian prime minister also pointed out that the world trade situation has already changed and moved toward a free trade system. Therefore, ASEAN countries will have to render greater economic cooperation among themselves, as well as to promote their private sector to play a greater role in trade.

Meanwhile, the Thai delegation to the meeting is led by Commerce Minister Amaret Sila-on. The team includes the deputy finance minister, deputy industry minister, and senior officials from the Foreign Ministry responsible for economic affairs.

The Kuala Lumpur conference will consider Thailand's proposal for the establishment of the ASEAN Free Trade Area. Besides, the meeting will also discuss preparations for the fourth ASEAN summit, preparations for the Uruguay Round of multilateral trade negotiations, measures to tackle trade protectionism, and ways and means to enhance and improve the ASEAN mechanism.

The meeting will continue until tomorrow. The results of the meeting will be reported later on. [end recording]

Mahathir Addresses ASEAN Meeting Opening

Calls for Environmental Stand

BK0710042291 Kuala Lumpur BERNAMA in English 0354 GMT 7 Oct 91

[Text] Kuala Lumpur, Oct 7 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed Monday called on ASEAN countries to speak with one voice on environmental issues as individually they will be "victims of global campaigns now being mounted to make us permanent developing countries."

"United we stand a reasonable chance," he said. "Allied with other neighbours our chances become even better."

Opening the 23rd ASEAN economic ministers' meeting (AEM) here, he said ASEAN could no longer remain passive and indifferent to these campaigns hoping that they would, in time, fizzle away.

The campaigns had assumed serious proportions and were being used to obstruct the economic growth of the developing countries, he said.

Noting that the non-governmental organisations involved had enormous resources and had the support of the so-called "free Western media," he said ASEAN must coordinate its efforts to counter the campaigns before they become more damaging to its economy.

"We can do this through a massive information campaign at the international level and by adopting a common stand on environmental issues," he said.

He added that although this would involve financial back-up, the price for not doing it now would be much higher later.

Dr. Mahathir said ASEAN countries were very concerned about environmental pollution but that their capacities to deal with it were limited.

"The developed countries should have a more positive approach rather than threaten to use trade and aid as instruments to force us into doing those things which will retard the growth of our economy and the well-being of our people," he said.

Referring to the forest fires which have cast a thick haze over ASEAN countries, the prime minister said forest fires were more damaging than controlled extraction of timber.

"But whereas the whole Western world is in an uproar over our extraction of tropical timber and threatens to boycott our produce and destroy our economies, there is not a squeak about the forest fires which periodically plague us," he said.

"Perhaps it is because the haze does not spread to their countries. Perhaps it is because they cannot sound as noble as they do when they champion the Penans [primitive tribesmen in Sarawak]."

Dr. Mahathir said there was much that was positive that the rich countries of the North could do about the forest fires.

"Indeed, with their ingenuity and wealth, they can put out the fires as they have extinguished the oil-well fires in Kuwait with such handsome profits," he said.

But none of these things were happening, he said. "There is not a word from the environmentalists of the North or their proxies here."

Urges Economic Grouping

BK0710044791 Kuala Lumpur BERNAMA in English 0401 GMT 7 Oct 91

[Text] Kuala Lumpur, Oct 7 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed Monday urged ASEAN countries to persist to become an economic group and said the private sector must be the prime mover of the region's progress.

Acknowledging that the grouping was more successful in cooperating politically, he said it might one day become an economic group although not in the near future.

Opening the 23rd ASEAN economic ministers meeting here, he said ASEAN's private sector could not afford to remain parochial but must exhibit drive and dynamism to be the prime mover of the region's progress. The world, he said, was already moving towards a globalised pattern of production in which locations and nationalities had given way to efficiency and competitive advantage.

Dr. Mahathir said the economic liberalisation policies undertaken by ASEAN countries meant that the private sector must assume a greater role in promoting trade and economic cooperation. He said ASEAN's private sector must prepare itself to meet the challenges by fostering greater linkages and networking among themselves. He also said that ASEAN industries must increase their efficiency and competitiveness in order to survive and prosper.

This was because they could not depend any longer on a closed and protected home market while ASEAN countries were striving to forge a bigger ASEAN market by reducing tariff and non-tariff barriers, he said.

These industries must be ready to face the challenges and the opportunities that would arise out of a greater asean economic cooperation, he said.

Saying that the economies of scale depended on markets, Dr. Mahathir said that while the markets in each ASEAN country might be able to support some industries, there were other industries which could only be viable and competitive if the market was ASEAN-wide.

"For these industries, the ASEAN countries must be prepared to share their markets. Duplication of such industries in every ASEAN country will only reduce viabililty and competitiveness," he said.

Referring to small and medium industries (SMIS), which play a supporting role to major industries, he said their inefficiency would affect the cost of the major industries. The prime minister felt that it would be far better at the initial stage to allocate certain industries to each of the ASEAN nations, whether major industries or SMIS.

"When the market in each country grows sufficiently that each country can have the particular industry and still be viable, then the country concerned should have that industry for itself," he said.

Dr. Mahathir also said that it was disappointing to note that the number of ASEAN joint ventures was still small despite the existence of the ASEAN industrial joint ventures and the brand-to-brand complementation and the preference given to their products under the preferential trading arrangement.

Stresses Modifying EAEG

BK0710071091 Kuala Lumpur BERNAMA in English 0618 GMT 7 Oct 91

[Text] Kuala Lumpur, Oct 7 (OANA-BERNAMA)—Malaysia was prepared to consider modifications to the form its proposed East Asia Economic Group (EAEG) should take, Prime Minister Dr. Mahathir Mohamed said Monday.

Malaysia was open to suggestions, he told a press conference after opening the 23d ASEAN Economic Ministers Meeting (AEM) here.

He had been asked to explain what he meant when he said in his address that Malaysia would understand if consensual endorsement of the proposal was not possible at the AEM.

"There are many ways to skin a cat," he told reporters, adding that if it was not possible for countries in East Asia to support the idea in its proposed form, Malaysia would have to consider looking at other forms.

The EAEG proposal is on the agenda of this AEM which will consider endorsing it as an ASEAN proposal.

Dr. Mahathir said in his address that Malaysia valued its friendship with its South East Asian neighbours above everything else and that it did not wish to embarrass anyone.

He said at the press conference that the United States would support the EAEG in due time. "Give them time to appreciate the goodness of the EAEG," he added.

On Japan's support, the prime minister said Japan might "have other problems" as it had not been able to come out in full support.

"Whatever we can do, we'll do .... We cannot force people to join," he replied when asked about Japan's position on the EAEG.

Notes Necessity of EAEG

BK0710093091 Kuala Lumpur Voice of Malaysia in English 0800 GMT 7 Oct 91

[Excerpt] Datuk Sri Dr. Mahathir Mohamed has warned that unless the East Asia Economic Group (EAEG) is set up, ASEAN will be at the mercy of trade blocs of Europe and America. He said there would be so many conditionalities and linkages with nontrade issues that the growth of ASEAN countries will be retarded and they will remain developing nations forever. The prime minister was opening the 23d ASEAN economic ministers meeting in Kuala Lumpur this morning. He expected the meeting to endorse fully the [word indistinct] recommendations with ASEAN officials about the concept. However, he said Malaysia will understand if consensual endorsement is not possible because it values its association and friendship with its Southeast Asian neighbors above everything else. It does not want to be a cause of embarrasement to anyone.

Datuk Sri Dr. Mahathir noted that the EAEG can evolve into a very strong grouping able to influence trade negotiations in favor of free trade for the whole world. He said liberalization of the ASEAN markets should continue. The ASEAN private sectors must foster greater linkages and network in and among themselves.

The prime minister pointed out that ASEAN industries must improve their efficiency and competitiveness in order to survive and prosper. [Passage omitted covered by refereat item]

Malaysian Trade Minister Stresses New Strategies

BK0710040191 Kuala Lumpur BERNAMA in English 0327 GMT 7 Oct 91

[Text] Kuala Lumpur, Oct 7 (OANA-BERNAMA)—ASEAN must adopt new strategies and initiatives that are bold, comprehensive, and simple to implement and understood by the private sector to undertake trade and investment, Malaysian Minister of International Trade and Industry Rafidah Aziz said Monday.

In her welcoming address at the opening of the 23rd ASEAN economic ministers' (AEM) meeting here, she said ASEAN could not afford to continue in the old ways, for the regional grouping to move closer and faster towards economic integration and as an economic haven for foreign investments.

"The piecemeal approach towards economic cooperation through the preferential trading arrangement, the ASEAN industrial joint ventures, the ASEAN industrial projects, and brand-to-brand complementation have clearly not brought about the desired results," she added.

The AEM was declared open by Malaysian Prime Minister Dr. Mahathir Mohamed.

Rafidah said significant changes, if not upheavals, had taken place worldwide that dictate greater emphasis on economic issues and the world stands poised for greater economic interchanges.

"While ASEAN is still debating and discussing the best way to proceed in economic copperation, our trading partners have arrived at greater economic integration and have put in place trading arrangements that will position them strongly to benefit from these changes. Unless we move fast, we will be left behind," she stressed.

"ASEAN economic cooperation is now at a crossroad. While we have been bold in enunciating and formulating proposals, we must be equally bold in taking decisions and implementing them," she said.

Over the last 15 years, ASEAN had focused much effort at discussing, formulating, and initiating implementation of policies and programmes of cooperation aimed at enhancing the economic well- being of members and greater economic integration of the association.

She lamented that the policies and programmes which had been placed since then had been very slow and the achievements to date had been below expectation.

Noting that ASEAN economies experienced a high growth rate through the substantial contribution of the external trade sector, intra-ASEAN trade and investments had been dismal as a group.

In 1990, ASEAN total trade with the rest of the world stood at U.S. $268 billion compared to intra-ASEAN trade which stood at U.S. $24.35 billion or less than 10 percent of ASEAN's total trade.

ASEAN Ministers Endorse Free Trade Area

BK0810014891 Bangkok BANGKOK POST in English 8 Oct 91 pp 1, 3

[Text] Kuala Lumpur—ASEAN economic ministers yesterday took an apparently unprecedented step by endorsing Thailand's proposal for the establishment of a free trade area, along with other bold economic programmes aimed at boosting intra-ASEAN trade and its bargaining power in world trade negotiations.

The ministers also officially adopted a common stand as the core of a Malaysian-initiated proposal for the creation of the East Asia Economic Group (EAEG) which Malaysian Prime Minister Mahathir Mohame said would enable East Asian countries to have a bigger say in world trade talks.

Commerce Minister Amaret Sila-on, who led a strong Thai contingent to campaign for the ASEAN Free Trade Area (AFTA) proposal at the ASEAN economic ministers' annual meeting, said that the approach and timeframe to fully achieve economic community status were accepted by all six member states.

AFTA's aim is to allow complete free trade in the region, with no tariffs or non-tariff barriers—an approach quite similar to the European Common Market.

Mr Amaret said a 15-year time-frame to realise the aims fully has been agreed on along with an approach based on sectors convering almost all industrial and manufacture goods produced in the region.

The two only categories which at this stage are exempt from such a preferential trade arrangement are raw agricultural products and "capital goods" such as heavy machinery, which conference sources said Indonesia has asked to be excluded to protect its domestic industry.

Mr Amaret said raw farm products were excluded because of their sensitive social, economic and political implications.

Senior ASEAN officials were asked to deliberate on the timeframe and the type of goods which will be gradually phased into the AFTA scheme.

The different import tariffs applied by individual ASEAN countries will be reduced over a period to the same rate between zero and five per cent so that in the next 15 years all industrial goods manufactured in the region are free of import tariffs.

Such a framework is similar to Indonesia's proposal for the so called ASEAN Common Effective Preferential Tariff which ASEAN economic ministers also endorsed yesterday.

That proposal, as its name implies, essentially calls for all ASEAN countries to adopt a similar import tax rate for certain products, such as cement and fertiliser.

Mr Amaret yesterday called the approval of AFTA, first mooted by Prime Minister Anan Panyarachun a significant step in boosting trade and investment within the region which so far remains at a low level.

With a population of more than 300 million people in the region, the AFTA scheme will also attract substantial non-ASEAN investors to the region, he said.

He expressed confidence that Thai industries are strong and competitive enough to compete with other ASEAN industrial products once the AFTA scheme is imposed.

The AFTA and other proposals for regional economic cooperation will be fine-tuned and submitted to heads of ASEAN governments at the fourth ASEAN summit to be held in Singapore in January.

Yesterday's speed and readiness of ASEAN economic ministers to endorse the new economic initiatives took senior ASEAN officials by surprise.

Dr Narongchai Akrasani, the special representative of Premier Anan on the AFTA issue, said the atmosphere was heartening and every minister appeared to have worked very hard to get the proposals through.

"Actually, what they have approved is more than what we (the Thai delegation) expected," said Dr Narongchai.

It was understood that Mr Anan, who was kept abreast of progress, had earlier secured support for AFTA from other ASEAN leaders.

UN Body Warns of AIDS 'Explosive Epidemic'

HK0710052391 Manila Far East Broadcasting Company in Tagalog 0100 GMT 7 Oct 91

[Text] The Acquired Immune Deficiency Syndrome [AIDS] continues to spread in the Asia-Pacific region. According to the United Nations Economic and Social Commission for Asia and the Pacific [ESCAP], the incidence of AIDS in the region is worsening and could turn into an explosive epidemic in the mid-1990s. ESCAP said that the growing numbers of AIDS and drug abuse cases will be the center of a health crisis in the region. It reported that from just a handful in 1988, there are now 500,000 AIDS virus victims. ESCAP holds its fourth ministerial conference in the country [Philippines] from today until 11 October.

Japan

$2.5 Billion in Emergency Aid Slated for USSR

OW0810133991 Tokyo NHK General Television Network in Japanese 1000 GMT 8 Oct 91

[Text] Chief Cabinet Secretary Misoji Sakamoto told reporters today that the Japanese Government had decided to provide the Soviet Union with a $2.5-billion aid package to help that nation deal with anticipated shortages of food and medical supplies this coming winter.

The Japanese Government has made the decision in view of U.S. and EC decisions to extend similar $2.5-billion aid packages to the Soviet Union. Within the Japanese aid package, $500 million will be provided in the form of low-interest loans by the Export-Import Bank of Japan for the purchase of foodstuffs and clothing. Another $1.8 billion will take the form of trade insurance for Japanese companies that contribute to Soviet economic reform through trade with and investment in the nation. The remaining $200 million will be extended by the Export-Import Bank as credits to companies exporting to the Soviet Union.

The government will also extend preferential taxation on companies providing the Soviet Union with technical assistance or sending humanitarian aid through the Red Cross.

The aid package reflects the government's favorable assessment of political and economic reform taking place in the Soviet Union in the wake of the coup failure. Japanese Foreign Minister Taro Nakayama will begin a visit to the Soviet Union this Saturday, and is expected to officially inform the Soviet Government of the aid.

The Japanese decision to extend the aid package to the Soviet Union comes in the wake of similar decisions by the United States and the EC. The package will be presented at the Bangkok conference of Group of Seven finance ministers and central bankers beginning this Friday. It is believed that the Japanese Government has gradually taken this positive stance toward Soviet aid because it fears discord with the United States and the EC. The governemnt will also present the aid package plan before U.S. Secretary of Treasury Nicholas Brady arrives in Japan tomorrow.

Debt Rescheduling Not Considered

OW0810044391 Tokyo KYODO in English 0418 GMT 8 Oct 91

[Text] Tokyo, Oct. 8 KYODO—Finance Minister Ryutaro Hashimoto said Tuesday that Japan is not considering a rescheduling of the Soviet Union's foreign debt repayments.

Hashimoto told reporters after a regular cabinet meeting that Japan is willing to support commercial transactions beneficial to Soviet economic reforms, in addition to providing humanitarian and technical aid to the Soviet Union.

His statement suggested that, among other measures, Japan will employ wider coverage of trade insurance on deals with the Soviet Union.

Hashimoto added, however, that rescheduling Soviet debt repayments is not among the options being considered.

Hashimoto also expressed doubts over a request by the European Community (EC) Ministerial Council that Japan and other countries join the EC in providing food and medicine worth 2 billion European Currency Units, or about 2.5 billion dollars, to the Soviet Union.

He said the proposal is not clear about what share of the proposed aid package will be provided by the EC and its member countries.

Government sources said, meanwhile, that Hashimoto will resign after returning Monday from a series of financial talks involving the Group of Seven (G-7) industrial nations to be held in Bangkok this weekend.

He will leave for Bangkok on Thursday and be back Monday without attending an annual World Bank and International Monetary Fund conference starting there next Tuesday.

Hashimoto tendered his resignation last Thursday but Prime Minister Toshiki Kaifu refused to accept it until after the Bangkok talks.

A top Finance Ministry official, meanwhile, said it is now uncertain if Soviet officials will be meeting with representatives from the Group of Seven (G-7) nations on the aid issue. Earlier reports had said the meeting would be held in conjunction with G-7 financial talks to be held in Bangkok this weekend.

The official said there is no doubt that aid to the Soviet Union will be discussed at the G-7 talks, but added that there are uncertainties about the central theme of the meeting and how much time will be spent in the discussions.

Temporary Repayment Freeze Possible

OW0810134691 Tokyo KYODO in English 1311 GMT 8 Oct 91

[Text] Tokyo, Oct. 8 KYODO—Japan may offer to temporarily freeze repayment of Soviet external debt, a senior Finance Ministry official said Tuesday.

The official, who declined to be named, emphasized that the step would not mean a rescheduling of principal and interest repayments by Moscow.

Japan is well aware of the Soviet Union's heavy external debt burden but a suspension of repayment by Moscow would discourage capital flows into the country, dealing a heavy blow to Soviet economy, the official said.

Finance Minister Ryutaro Hashimoto told reporters earlier Tuesday that Japan is not prepared to reschedule the Soviet Union's debt.

He added, however, that Tokyo is willing to support commercial transactions which will help promote economic reforms in the country.

Japan will offer a 2.5 billion aid package to the Soviet Union, following the lead of the European Community and the United States.

Hashimoto on Policy 'Turnaround'

OW0810074891 Tokyo KYODO in English 0637 GMT 08 Oct 91

[Text] Tokyo, Oct. 8 KYODO—Japan is making a policy turnaround by moving to promote aid to the ailing Soviet economy, Finance Minister Ryutaro Hashimoto and a top official of the ruling Liberal Democratic Party (LDP) suggested Tuesday.

Japan has so far promised only 100 million dollars in food aid to the Soviet Union.

Hashimoto indicated at a news conference that the government will support Soviet economic reforms with various measures, including wider trade insurance coverage on deals with the Soviet Union.

He said Japan should consider aiding the Soviet economy through private transactions, in addition to providing humanitarian and technical aid to the country.

A top LDP official said the Finance Ministry is considering "drastic plans" regarding aid to the Soviet Union, including possible use of loans by the government-backed Export-Import Bank of Japan.

He said the ministry is keeping the European Community's 2.5 billion dollar aid package for the Soviet Union in mind as it works out Japanese aid plans.

He declined comment, however, on the proposed rescheduling of the Soviet Union's foreign debt repayments.

Government sources said, meanwhile, that Hashimoto will resign after returning Monday from a series of financial talks to be held this weekend in Bangkok by the Group of Seven (G-7) industrial nations. Hashimoto will leave for Bangkok on Thursday and be back Monday without attending an annual conference involving the World Bank and International Monetary Fund starting there on Tuesday.

Hashimoto tendered his resignation last Thursday but Prime Minister Toshiki Kaifu refused to accept it until after the Bangkok talks.

A top Finance Ministry official, meanwhile, said it is now uncertain if Soviet officials will be meeting with representatives from the Group of Seven (G-7) nations on the aid issue. Earlier reports had said the meeting would be held in conjunction with the G-7 financial talks to be held in Bangkok.

The official said there is no doubt that aid to the Soviet Union will be discussed at the G-7 talks, but added that there are uncertainties about the central theme of the meeting and how much time will be spent in the discussions.

Change Not Prompted by EC

OW0810125591 Tokyo KYODO in English 1157 GMT 8 Oct 91

[Text] Tokyo, Oct. 8 KYODO—Following the lead of other industrial nations, Japan will extend a 2.5 billion dollar package of emergency aid to the Soviet Union, government officials said Tuesday.

The announcement came on the heels of a pledge by the European Community (EC) to provide 2.5 billion dollars in emergency food and medical supplies to the Soviet Union, which is facing potentially crippling shortages this winter.

The United States has already promised 2.5 billion dollar credit guarantees to help the Soviets buy U.S. grain, leaving Japan the only industrial power which had been reluctant to provide aid to the country.

A Foreign Ministry official said the package reflects Japan's feeling of appreciation and welcome toward the recent dramatic changes in the Soviet Union, notably the moves toward democratization and economic reform.

"We have wanted to send a clear political message to what is happening in the country before it becomes too late," he said.

But the official, who declined to be identified, dismissed speculation Japan was prompted by the EC move.

"The timing and the sum of the aid is entirely our own decision," he said.

But analysts believe the action is partly intended to head off pressure from other economic powers when the Group of Seven (G-7) industrial nations gather in Bangkok this weekend.

He also firmly ruled out any linkage between the package and a nagging bilateral territorial issue.

Japan has maintained it will withhold any large-scale financial aid to the Soviet Union as long as the dispute over four Soviet-held islands off Hokkaido in northern Japan remains unresolved. The package, officially announced earlier in the day by Chief Cabinet Secretary Misoji Sakamoto, includes an Export-Import Bank of Japan loan of up to 500 million dollars for food and medicine.

The 500 million dollars will come on top of the 100 million dollar emergency help pledged late last year. The latter amount has not yet been disbursed apparently due to confusion over whether the central government or republics bear responsibility for repayments.

The humanitarian aid is based on a government fact-finding mission in late September to the Soviet Far East, which predicted a serious shortage of food and medicine in the region over the coming winter.

Japan will also provide 1.8 billion dollars in trade guarantees for Japanese Soviet-Bound Exports and Investment, and 200 million dollars' credit from the Export-Import Bank to promote trade with the Soviets.

Two-way trade has been stagnant over months, as the massive arrears in Soviet payments for Japanese imports, estimated at 500 million dollars, are making Japanese companies hesitant to take further risks.

The ministry official said the amount, which matches the total trade insurance to the Soviet Union reported last year, will cover one year from now.

Also included in the package is technical aid in energy, distribution, nuclear safety, and other fields.

Regarding the 70 billion dollar debts owed by the Soviet Union to Japan, the official declined to comment on whether Japan, in addition to the package, is also ready to reschedule them as has been widely reported.

Mitsuzuka Discourages Large-Scale Soviet Aid

OW0810112091 Tokyo KYODO in English 1016 GMT 8 Oct 91

[Text] Tokyo, Oct. 8 KYODO—Liberal Democratic Party (LDP) presidential hopeful Hiroshi Mitsuzuka said Tuesday he favors providing food aid and humanitarian assistance to the Soviet Union, but not large-scale economic assistance.

Mitsuzuka, head of the LDP's No. 2 faction, said he supports continuation of the policy of linkage of politics and economics in dealing with the Soviet Union.

Japan has maintained a strict interpretation of the linkage policy, which stipulates that Japan will not conduct normal economic relations until settlement of the dispute over four islands off Hokkaido, occupied by the Soviet Union since World War II.

Mitsuzuka's comments came on the same day the Japanese Government announced a package of emergency aid of up to 2.5 billion dollars to the Soviet Union. Announcement of the aid came later in the day.

Earlier Tuesday, Finance Minister Ryutaro Hashimoto said Japan is ready to broaden its economic assistance somewhat.

Mitsuzuka, 64, a former foreign minister, is one of three LDP faction heads who have announced their candidacies to run for the LDP presidency, a post which carries the prime ministership by virtue of the ruling party's clear majority in the house of representatives.

Also in the race are former Kiichi Miyazawa, 72, and Michio Watanabe, 68, who head the party's third- and fourth-largest factions, respectively. Mitsuzuka voiced support for greater personnel contributions to United Nations Peacekeeping Operations [UNPKO], while stressing the importance of maintaining civilian control over forces that would be dispatched under proposed legislation.

Mitsuzuka also said he supported continued close relations with the United States, including military cooperation, an arrangement he said continues to reassure Asian countries that formerly suffered from Japanese aggression.

Campaigning under the slogan of creating a "courageous, peaceful nation," Mitsuzuka said he planned to follow the policies of his mentor Shintaro Abe, the recently deceased former foreign minister.

His campaign pamphlet closed with a full-page color photo of himself emerging from a factional meeting with the ailing Abe, who he said coined his second campaign phrase, "politics with distinct personality."

Mitsuzuka took over the faction in June, a month after Abe died following a long ailment.

Mitsuzuka reiterated his pledge to stay in the race through election day, October 27. Political analysts have speculated that Mitsuzuka would run to help solidify his control of the faction, but that he would be willing to drop out of the race in return for pledges of plum cabinet posts for his followers.

Team Leaves for Siberia To Gather POW Remains

OW0710094691 Tokyo KYODO in English 0914 GMT 7 Oct 91

[Text] Niigata, Oct. 7 KYODO—A Japanese mission left here Monday for a Soviet Far East town to gather the remains of 56 Japanese prisoners of war (POW's) who died in a Siberian labor camp after World War II.

Health and Welfare Ministry officials said the 10-member mission, led by Matsuo Murase, a division chief of the ministry's war victim's relief bureau, is the first of its kind since the war.

It will arrive in Chita, Chita Province, via Khabarovsk on Tuesday and then visit Drovyanaya, about 90 kilometers southeast of the provincial capital, according to the ministry.

The officials said the team will conduct excavation work for about 10 days to gather the remains at a burial ground in Drovyanaya, where a concentration camp for Japanese POW's was located.

About 500 Japanese, including soldiers and other military personnel, were detained in the camp from September 1945, and 56 died while engaged in forced labor, such as deforestation and road repair work, the ministry said.

The group's visit to the Soviet Union is the result of a bilateral agreement made when Soviet President Mikhail Gorbachev visited Japan in April.

Some 53,000 of the 575,000 prisoners captured by the Soviet army in Japanese-occupied Manchuria and other regions are believed to have died in camps in Siberia and Mongolia.

Most of the POW's were Japanese soldiers, but some were civilians, along with Koreans and Chinese drafted into the Japanese military.

Komeito Chairman Departs for PRC Visit 7 Oct

OW0710034691 Tokyo KYODO in English 0243 GMT 7 Oct 91

[Text] Tokyo, Oct. 7 KYODO—Komeito Chairman Koshiro Ishida departed for Beijing on Monday for talks with Chinese leaders, party officials said.

The No. 2 opposition party is trying to arrange for Ishida to meet with Chinese President Yang Shangkun, Communist Party General Secretary Jiang Zemin, and Premier Li Peng, the officials said.

Ishida and his entourage are scheduled to return to Japan on Sunday after visiting Shanghai and Hangzhou, the provincial capital of Zhejiang, the officials said.

Reportage on Delegation's Visit

WA0810132391

For further reportage on the visit to the PRC by a Komeito delegation led by Central Executive Committee Chairman Koshiro Ishida, including the delegation's meetings with Jiang Zemin, CPC Central Committee General Secretary, and PRC Vice President Wang Zhen, please see the Northeast Asia section of the 8 October China DAILY REPORT and subsequent issues.

Money for Developing Countries Falls 21 Percent

OW0610035291 Tokyo KYODO in English 0303 GMT 6 Oct 91

[Text] Tokyo, Oct. 6 KYODO—The flow of Japanese money to developing countries dropped 21.0 percent in 1990 as private-sector financing fell sharply, the Finance Ministry said Sunday.

Japan provided 19,057 million dollars in 1990 in various forms of funds to Third World and East European nations, down from 24,133 million dollars the previous year.

The money includes 9,222 million dollars in Official Development Assistance (ODA) and 3,470 million dollars of other government-sponsored financing such as export credit, untied loans, and other funds.

The ODA picked up 2.9 percent in dollar terms, while other government funds surged 124.8 percent. Boosting the flow of non-ODA government money was 2 billion dollars in untied loans to Mexico, a ministry official said.

In contrast, funds from the private sector to developing countries shrank 53.6 percent to 6,262 million dollars.

Tight monetary conditions, the withdrawal of investments from developing countries, and the downshift in corporate overseas investments all contributed to the decline, the official said.

The dollar's upswing against the yen, which depressed the dollar- denominated value of yen funds, was also responsible for the overall fall, the official said.

The dollar was an average 144.80 yen in 1990, up from 137.96 yen in 1989.

The total money flow into developing nations, excluding Eastern European countries Poland, Hungary, Czechoslovakia, Bulgaria, and Romania, also fell in 1990, by 22.4 percent to 18,731 million dollars, the ministry said.

New Zealand Businessmen Begin Annual Talks

OW0810112591 Tokyo KYODO in English 0816 GMT 8 Oct 91

[Text] Osaka, Oct. 8 KYODO—Japanese and New Zealand businessmen began a two-day discussion on bilateral economic conditions here Tuesday, organizers said.

At the annual 18th meeting of the Japan-New Zealand Businessmen's Conference, the 180 participants will discuss the future economy of the western Pacific region, and coexistence of ecological issues and industrial development, they said.

Yusuke Kashiwagi, head of the Japanese delegation and chairman of the Bank of Tokyo, said in his opening speech the significance of frankly exchanging views on the outlook for the 21st century [sentence as received].

Barrie Downey, chief of the New Zealand team, noted the importance of successfully concluding the Uruguay Round of multilateral trade talks held under the General Agreement on Tariffs and Trade (GATT) for the sake of both countries.

Three ad hoc committees on raw materials and information services, agriculture and fisheries, and transportation and tourism were held on the first day.

A general assembly will be held Wednesday.

Keidanren Calls Antidumping Abuses Protectionist

OW0710233791 Tokyo KYODO in English 2309 GMT 7 Oct 91

[Text] Tokyo, Oct. 8 KYODO—Japan's most influential business lobby has declared that antidumping duties by other industrial nations on Japanese imports are increasingly being abused as a form of protectionism.

The Federation of Economic Organizations (Keidanren), in a statement released Monday, also called on the General Agreement on Tariffs and Trade (GATT) to tighten controls on abuses of such duties.

"We cannot accept arbitrary use of protectionist antidumping measures," Keidanren said, terming such practices, particularly in the United States and the European Community (EC), as anticompetitive.

Keidanren will shortly submit the statement to the governments of Japan, the U.S., and the EC, and the GATT Secretariat.

The protest came as the Geneva-based GATT is negotiating revisions to its antidumping code under the Uruguay round of multilateral trade talks.

The global trade watchdog permits countries to levy duties on imports if the imports are being dumped, which means being sold more cheaply than in domestic or other markets, and are injuring producers in the importing countries.

But the means of calculating dumping and the injury it causes is left to governments, which sometimes causes unjustified use of antidumping levies, Keidanren said.

As an example of antidumping abuses against Japanese products, Keidanren cited the calculation method which leaves out some costs from import prices, while counting them in for domestic prices.

This calculation method, it said, goes against a GATT rule which provides for comparison of import and domestic prices on the same basis.

Agriculture Minister Briefs Kaifu on Farm Talks

OW0810061591 Tokyo KYODO in English 0351 GMT 8 Oct 91

[Text] Tokyo, Oct. 8 KYODO—Minister of Agriculture, Forestry, and Fisheries Motoji Kondo reported to Prime Minister Toshiki Kaifu on the progress of international farm trade talks, ministry sources said Tuesday.

After the day's regular cabinet meeting, Kondo, together with Foreign Minister Taro Nakayama, explained the situation after technical farm trade talks ended Friday in the Uruguay round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT).

"Negotiations are heading for the introduction of tariffication (of nontariff trade barriers). The situation is really tough," Kondo was quoted as saying.

Kaifu, in response to this, only said, "We have conveyed to the United States and other nations our stance not to accept the tariffication idea," the sources said.

Farm trade negotiations will resume Wednesday next week with technical talks, while GATT Director General Arthur Dunkel is expected to draw up a new options paper on the direction of the talks, they said.

The paper is expected to propose that the U.S.-proposed tariffication idea should be introduced in principle, they said.

Farm Cooperatives Call for Rice Self-Sufficiency

OW0810050691 Tokyo KYODO in English 0357 GMT 8 Oct 91

[Text] Tokyo, Oct. 8 KYODO—The Central Union of Agricultural Cooperatives (Zenchu) on Tuesday adopted a special resolution at its General Assembly calling for complete self-sufficiency in rice production.

Zenchu also adopted a resolution urging the consolidation of the country's 3,500 farm cooperatives into about 1,000.

The assembly's special resolution was made with a keen attention to the Uruguay Round of Multilateral Trade Talks which are aimed at tearing down global barriers to free trade.

Addressing the assembly, Prime Minister Toshiki Kaifu said Tokyo's basic position on the negotiations will be based on the Diet's earlier resolution calling for the country's self-sufficiency in rice production.

The 19th General Assembly, Zenchu's first in three years, was attended by some 6,500 members.

The assembly, which was held at the Budokan Hall in Tokyo, focused on organizational reform to ensure the survival of the cooperatives.

The resolution calls for the simplification of the group's credit and mutual aid organizations, which are currently organized on the national, prefectural, and municipal levels.

It advocates the absorption of the organizations on the prefectural level into the national level.

The resolutions were put together last March by a Zenchu Central Committee Deliberative Council, Zenchu officials said.

LDP Proposes Convening Special Diet Session

OW0810122091 Tokyo KYODO in English 1117 GMT 08 Oct 91

[Text] Tokyo, Oct. 8 KYODO—The governing Liberal Democratic Party (LDP) on Tuesday proposed convening the Diet on November 5 for a 36-day extraordinary session to elect a new prime minister to replace Toshiki Kaifu, whose term of office as LDP leader expires October 30, LDP sources said.

The LDP filed the proposal with opposition parties the same day, the sources said.

The proposal calls for holding a prime ministerial election in separate plenary sessions of the House of Representatives and House of Councillors on the opening day.

The new prime minister will address plenary sessions of both houses on November 8.

Leaders of three of the LDP's five factions have declared their candidacy in the party's presidential election set for October 27. The party presidency carries with it the prime ministership because of the LDP's clear majority in the lower house.

The three contenders so far are Hiroshi Mitsuzuka, Kiichi Miyazawa and Michio Watanabe, heads of the LDP's No. 2, No. 3 and No. 4 factions.

The largest faction, founded by former Prime Minister Noboru Takeshita and currently led by kingmaker Shin Kanemaru, has yet to come to a decision whether to put up its own candidate or support one of the three who have already declared.

Prime Minister Kaifu announced last week that he will not seek another term of office as LDP president in order to assume responsibility over the killing of a set of three political reform bills in the Diet.

Kaifu had been a major proponent of electoral reform, but had been opposed by many within his own party, as well as by the opposition parties.

KYODO Profiles LDP Presidential Hopefuls

OW0510100991 Tokyo KYODO in English 0759 GMT 5 Oct 91

[By Yoshino Matsui]

[Text] Tokyo, Oct. 5 KYODO—For Kiichi Miyazawa the upcoming election to choose the next president of the ruling Liberal Democratic Party [LDP], and as such become the next prime minister of Japan, appears to be his last chance because of his age.

In the Japanese political world, a generation change is in rogress.

Miyazawa will be a challenger again in the LDP's October 27 presidential election, together with first-time candidates Hiroshi Mitsuzuka and Michio Watanebe, the No. 2 and No. 4 faction leaders.

Miyazawa, former deputy pime minister and head of the LDP's third-largest faction, who will turn 72 Tuesday, has been described for the past 15 years as "a man who can be a prime minister five years from now."

He tried to grab the post in 1987, running against his two rivals Noboru Takeshita and the late Shintaro Abe. The three men were at that time called the LDP's "new leaders."

Miyazawa lost to Takeshita when then Prime Minister Yasuhiro Nakasone designated Takeshita as his successor.

Miyazawa is recognized as internationally minded, being one of the few Japanese politicians with full command of English. He is also one of the few living politicians to see Japan emerge from ruins after World War II to the economic superpower status enjoyed here today.

Born in Tokyo, he began his bureaucratic career during the war, joining the Finance Ministry in 1942, a year after he graduated from the University of Tokyo.

After Japan lost to the allied powers in 1945, he became a secretary to then Finance Minister Hayato Ikeda and attended the 1951 Japan-U.S. peace conference in San Francisco to help the minister as an interpreter.

Miyazawa became a politician two years later when he won a seat in the House of Councillors in 1953.

In 1962, he became the director general of the Economic Planning Agency [EPA], his first job in the cabinet.

He later served two other times as EPA director general and also as international trade and industry minister, foreign minister, chief cabinet secretary, and deputy prime minister and concurrently finance minister.

Unlike his rich records in the government, Miyazawa's experience in party politics is poor. Party and faction management, such as taking care of his own henchmen in the faction, and doing some "dirty jobs" which deal with political funds, is considered crucial in aiming for the post of party president.

Some also blame one of the LDP's best intellectuals for being somewhat pedantic, and being "too elite" to be supported by the public.

Michio Watanebe is a man who stands in quite a contrast to Miyazawa.

Watanabe talks straightforward and brings a bit of humor into politics with his comical speeches, delivered in his native Tochigi dialect.

He lives in the dormitory for Diet members, and has been nicknamed "Mitchie" by his affectionate public.

The 68-year-old Watanabe made his political debut as a member of the Tochigi Prefectural Assembly, and was first elected to the House of Representatives in 1963.

Appointed health and welfare minister in 1976, he has since held posts as minister of agriculture, forestry, and fisheries, finance minister, international trade and industry minister.

Shin Kanemaru, one of the LDP's key power brokers, calls him "a man of action," but "Mitchie" is also known for his slippery tongue which often causes problems in and out of the country.

In 1988, a league of the U.S. Black Caucus sent a letter to then Prime Minister Noboru Takeshita protesting what they considered racist comments from Watanabe about black people.

He said in a speech before party members that "Japanese people take bankruptcy seriously, some run away by night and others commit a family suicide, while overseas, where lots of black people live, they merely think 'so we don't have to pay anymore'."

Hiroshi Mitsuzuka, the head of the LDP's second-largest faction, has had unusually speedy promotions since he emerged into the political world in early 1972s.

After serving as a member of the Miyagi Prefectural Assembly, he won a seat in the House of Representatives in 1972, and first joined the cabinet in 1985 as transport minister.

Since then, the 64-year-old Mitsuzuka has smoothly risen politically. He was appointed international trade and industry minister, foreign minister, and the LDP policy affairs research council chairman to become one of LDP's "neo new leaders" in a very short period of time.

A transportation policy expert, Mitsuzuka is also a kendoist of the sixth dan who once planned to be a veterinarian before he decided to become a politician.

But he has big problems within his own faction, in which some of the 89 members allegedly oppose to Mitsuzuka's faction leadership. He also suffers from fund-raising scandals.

He competed against faction mate Mutsuki Kato, the incumbent chairman of the LDP Policy Affairs Research Council, when the former faction leader Shintaro Abe died in June, to succeed the post.

The conflict between the pair intensified after Mitsuzuka won the post to become the youngest faction leader.

Kato "boycotted" a faction meeting with other members on September 29, where Mitsuzuka announced his intention to run for the party presidential race.

Takeshita Faction Postpones Decision on Candidate

OW0810075091 Tokyo KYODO in English 0640 GMT 8 Oct 91

[Text] Tokyo, Oct. 8 KYODO—The largest faction of the ruling Liberal Democratic Party (LDP) on Tuesday postponed its decision on whether to put up a candidate in the race for the LDP presidency, as its favored candidate, Ichiro Ozawa, continued to refuse to run.

The 105-member faction of former Prime Minister Noboru Takeshita was to formally announce its position this week, but has now delayed the announcement until a faction meeting slated for next Monday, LDP sources said.

Ozawa, 49, has so far refused to run for the leadership post, which also includes the prime minister's position, citing poor health and inadequate preparation, the sources said. The former LDP secretary general resumed his regular activities in August after spending 42 days in the hospital with heart problems.

Government watchers say Ozawa also hopes to continue consolidating political influence by serving in critical posts such as foreign minister or finance minister prior to becoming prime minister.

Meanwhile, the three declared candidates, Kiichi Miyazawa, Michio Watanabe, and Hiroshi Mitsuzuka, continued lobbying the Takeshita faction for support.

Former Finance Minister Miyazawa, who was celebrating his 72nd birthday Tuesday, has also met with Takeshita seeking its cooperation.

Another former Finance Minister, Michio Watanabe, met with business executives, and then left for Yokohama where he addressed a rally of LDP supporters.

'Big Four' Brokerages Penalized Over Scandal

OW0810093491 Tokyo KYODO in English 0903 GMT 8 Oct 91

[Text] Tokyo, Oct. 8 KYODO—The Finance Ministry announced Tuesday it has imposed penalties on the "Big Four" brokerage houses in connection with the sweeping stock scandals.

The ministry said Nomura Securities Co., the biggest of the four, will be suspended from stock broking at its head offices and three major branches for one month from October 15.

It also ordered Nomura, Nikko Securities Co., Yamaichi Securities Co., and Daiwa Securities Co., to restrain their business for periods ranging from one to three weeks for violating a ministry directive barring them from compensating favored clients for investment losses.

Ministry officials said Nikko was ordered to restrain its corporate sales departments for three weeks. Yamaichi received a two-week penalty and Nomura and Daiwa one week, they said.

Nomura was accused of aggressively promoting the stock of a major railway and retail conglomerate in Tokyo during the summer of 1989, resulting in a surge of its share price.

Hideo Sakamaki, president of Nomura, admitted in a hearing held by the ministry the company urged investors to deal in the stock of Tokyu Corp., damaging its fair price structure, the ministry said.

The ministry officials said Nomura and three others in the Big Four group drew penalties for defying a ministry directive of December 1989, barring them from making loss compensation payouts to select clients.

Therefore securities companies were reported to have reimbursed a total of 43.5 billion yen in fiscal 1990 ended last March 31 in kickbacks to their clients.

Revised Weapon Export Ban Effective 14 Nov

OW0710085391 Tokyo KYODO in English 0830 GMT 7 Oct 91

[Text] Tokyo, Oct. 7 KYODO—Japan will tighten controls from mid-November on exports of some equipment that can be used to produce chemical weapons and missiles, officials of the Ministry of International Trade and Industry (MITI) said Monday.

But the country will relax its curbs on sales of technology with potential military application to communist countries, in view of the accelerating detente between East and West, they said.

Revision of related laws concerning weapon export regulations will be given the official nod at a cabinet meeting Tuesday, and will go into effect November 14.

The officials said the revision calls for the inclusion of heat exchangers and 10 other chemical weapons-related equipment to the list of items whose exports are banned.

The current list includes only materials used for chemical weapon production.

Also put into practice is an additional ban on 50 items of missile-related equipment, such as isostatic pressers, propellants, and accelerographs.

Both moves will be taken in line with separate international accords reached earlier this year and aimed at containing proliferation of such weapons after the Iran-Iraq and Persian Gulf wars.

The government will soften restrictions on shipments of military-related technology to previously communist countries, following an agreement at a meeting in May of the Coordinating Committee for Multilateral Export Controls (COCOM).

The high-level meeting of the Paris-based watchdog over technology transfer to the Eastern Bloc agreed on a sharp reduction in the number of items controlled for sale to the Soviet Union and Eastern Europe.

Research Exchange Law Draft Revision Completed

OW0610123191 Tokyo KYODO in English 1158 GMT 6 Oct 91

[Text] Tokyo, Oct. 6 KYODO—The Japanese Government has hammered out a draft to drastically revise a law on promoting research exchanges among academic and industrial circles and foreign organizations, government sources said Sunday.

The revision of the 1986 law is aimed at revitalizing the Japanese research environment, which is often criticized in and out of the country as being "closed and stiff," the sources said.

The revision is also designed to realize full-scale communications among universities, private organizations, and other countries, they said.

According to the draft, national research organizations will temporarily accept foreign or private-sector researchers with the government paying them special allowances.

It also proposes introducing funds from businesses to national institutes while setting up a special exemption allowing private organizations patents on international joint studies, they said.

Since such patents are now monopolized by the government, the revision will facilitate foreign companies participating in Japanese research, the sources said.

The revision would also enable national institute researchers to temporarily serve as professors at public and private universities, while maintaining their status as government employees.

National institutes, on the other hand, would accept graduate students from both public and private universities.

The draft was compiled by the Science and Technology Agency. The revision bill is expected to be passed during the next regular Diet session in January.

There are 93 national research institutions with some 10,000 researchers across the country.

Mongolia

Formal Diplomatic Ties Established With Israel

OW0510080291 Beijing XINHUA in English 0730 GMT 5 Oct 91

[Text] Ulaanbaatar, October 5 (XINHUA)—Mongolia and Israel established formal diplomatic relations on Wednesday.

Mongolian newspaper, "PEOPLE'S RIGHT", today published a joint communique on the establishment of diplomatic ties between the two countries.

So far Mongolia has established diplomatic ties with some 108 countries.

Commodity Inspection Accord With Inner Mongolia

SK0410091991 Hohhot NEIMENGGU RIBAO in Chinese 18 Aug 91 p 5

[By reporter Liu Xingfan (0491 5281 5400): "Our Region Has Signed an Accord with the Mongolian People's Republic on Import and Export Commodity Inspection"]

[Text] At the invitation of the Commodity Inspection Bureau under the Mongolian People's Republic [MPR] Chamber of Industry and Commerce, the three-member delegation of the Inner Mongolia Autonomous Region, headed by Yun Xusheng, director of the autonomous regional Commodity Inspection Bureau, visited the MPR from 18 to 23 June this year. During the visit the two sides exchanged opinions about setting up inspection organs, inspection personnel arrangements, the work's character and major tasks, and the scope of inspection. They also held frank talks, aimed at seeking truth, on their cooperative prospects.

Through equal consultation, the Inner Monngolia autonomous regional Import and Export Commodity Inspection Bureau of the PRC and the Import and Export Commodity Inspection Bureau under the MPR Chamber of Industry and Commerce signed a "friendly and cooperative accord" stipulating that both sides should mutually exchange or provide relevant inspection standards for staple and major export commodities, mutually dispatch specialists and technological personnel to exchange the technologies and methods of inspecting commodities, and provide commodity inspection information to each other. It also stipulates that for export commodities that can be inspected before shipping, in line with the trade contract, the commodity inspection organ of the importing country may send personnel to the exporting country to make advance inspection. The commodity inspection organ of the exporting country should actively coordinate with such an inspection operation.

Vice Labor Minister on Search for Jobs Overseas

OW0510105791 Beijing XINHUA in English 0853 GMT 5 Oct 91

[Text] Ulaanbaatar, October 5 (XINHUA)—More than 13,000 Mongolians have ventured overseas in the past year in search of employment to escape the failing economy at home, government Vice Labor Minister Ganbator said today.

The vice minister said his country's citizens were mainly employed as construction workers and herdsmen in the Kazakh and Russian Republics of the Soviet Union.

Mongolia, with a population of 2.1 million, is switching from a planned to a market economy, and unemployment currently stands at 52,000.

The Labor Ministry established an export labor service organ earlier this year to help Mongolians who want to go abroad to work.

In addition, the ministry also signed contracts for export of labor-service with various Soviet departments.

Ganbator said in the near future over 1,700 Mongolians would travel to the Russian Republic to serve as construction workers while more than 700 others would work as herdsmen in the Kazakh Republic.

North Korea

Yon Hyong-muk, Delegation Return From UN

SK0810051191 Pyongyang KCNA in English 0428 GMT 8 Oct 91

[Text] Pyongyang October 8 (KCNA)—Yon Hyong-muk, premier of the Administration Council of the Democratic People's Republic of Korea, and the DPRK delegation headed by Kim Yong-nam, vice-premier of the Administration Council and foreign minister, returned home Tuesday after participating in the 46th United Nations General Assembly session.

The premier and the delegation were met at the airport by Secretary of the Central Committee of the Workers' Party of Korea Kye Ung-tae, Vice-Premiers of the Administration Council Hong Song- nam and Kang Hui won and other officials concerned.

Charge d'affaires ad interim of the Chinese Embassy here Chiang Zhengcai and resident representative of the UNDP [United Nations Development Program] here Henning Karcher were also present at the airport.

Daily Demands Total U.S. Withdrawal From South

SK0810052391 Pyongyang KCNA in English 0435 GMT 8 Oct 91

[Text] Pyongyang October 8 (KCNA)—In case the United States withdraws its nuclear weapons from South Korea as it has promised, it must do it comprehensively and totally in all spheres of ground, sea and sky, not partially.

It must withdraw its troops, along with nuclear weapons.

NODONG SINMUN today states this in a commentator's article entitled "Nuclear Threat Must Be Removed".

The article says:

U.S. President Bush on September 27 stated that the United States would take measures to unilaterally withdraw short-range nuclear weapons from the ground and sea bases and fundamentally remove them.

At the same time, a U.S. military official said the nuclear weapons deployed in South Korea were included in those nuclear weapons to be withdrawn by the United States.

If the United States really withdraws its nuclear weapons as it has promised and removes its nuclear threat to the DPRK, it would mean a big stride forward in opening the way for us to sign the nuclear safeguards accord and realising the denuclearisation of the Korean peninsula.

It is noteworthy that the United States, although belatedly, has admitted of its own accord the existence of its nuclear weapons in South Korea and recognised the necessity of the withdrawal of nuclear weapons from South Korea, no matter what was the motive of its intention to reduce nuclear weapons.

Originally, when we joined the non-proliferation treaty, we aimed to remove nuclear threat to our country and turn the Korean peninsula into a nuclear-free, peace zone.

However, the U.S. nuclear threat to the DPRK increased day by day after we joined the NPT [Nuclear Non-Poliferation Treaty].

For instance, the United States and the South Korean authorities have enlarged the scale of their "Team Spirit" joint military exercises year after year.

It is true that the DPRK is the only non-nuclear member state of the NPT which is exposed to direct nuclear threat from a nuclear- weapon state.

Due to the direct nuclear threat from the United States, we are not in a position to solve the problem of signing the nuclear safeguards accord.

At the September meeting of the Board of Governors of the International Atomic Energy Agency, a "resolution" was adopted at the initiative of Japan, instigated by the United States, to put an international pressure on the DPRK to sign the nuclear safeguards accord.

We resolutely reject any attempt to infringe on the sovereignty of our country and interfere in our internal affairs through international pressure.

The United States and its satellite states still raise our signing of the nuclear safeguards accord as a precondition for improvement of their relations with us. This is an unreasonable and infeasible talk.

It is not without reason that after the U.S. announced its plan to reduce nuclear weapons, the South Korean puppets feel so upset and find themselves on pins and needles.

Their false statement that there is no nuclear weapon in South Korea can no longer go down with anyone.

It is known to every one that the sycophant authorities of South Korea have allowed the U.S. nuclear weapons to be deployed in South Korea and kept them as carefully as though they were their ancestral tablets, remaining indifferent to the holocaust into which the U.S. nuclear weapons might plunge the whole nation.

It is not strange, therefore, that when their master, the United States, abruptly declared it would withdraw the nuclear weapons without prior consultation with them, the South Korean authorities should feel upset and doubt the "protection by the U.S. nuclear umbrella."

A few days before the U.S. published this measure, the South Korean authorities, unaware of the development of the situation, dared to say they would mount a "military attack" on fictitious "nuclear facilities" of the North, only to reveal their treacherous and bellicose nature.

Their outburst has become an object of ridicule among the world people today when the U.S. committed itself to withdraw its nuclear weapons from South Korea.

The South Korean authorities must not entreat the U.S. to keep nuclear weapons in South Korea, but must admit their never-to-be- condoned anti-national crimes concerning the problem of nuclear weapons and join in the efforts to denuclearise the Korean peninsula before it is too late.

The United States must begin the withdrawal of nuclear weapons on the Korean peninsula which is fraught with the greatest danger of nuclear war, before anywhere else.

The sooner the U.S. troop pullout from South Korea, the better.

'Indomitable' DPRK-China Friendship Hailed

SK0810063991 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 7 Oct 91

[Unattributed talk: "DPRK-China Friendship Is Forged With Blood Amid Arduous Trials"]

[Text] The great leader Comrade Kim Il-song has elucidated: The DPRK-China friendship is an indomitable friendship that can never be broken.

The DPRK and China are close neighbors whose mountains and rivers are linked with each other. The two countries' peoples are amicable and close comrades-in-arms, genuine class brothers, and reliable partners who from an early date have shared their destinies on the road of difficult struggle to liberate the nation and the class and for socialist revolution and socialist construction.

The two peoples have crossed the hills of trial and waged a bloody decisive fight together, while carrying out the sacred common struggle in firm unity.

The annals of DPRK-China relations have a deep historical root and are full of numerous impressive events and praiseworthy episodes.

The peoples of our two countries have fought together against imperialists in the past and the modern imperialists. They have fought together in the lands of China and Korea. They fought together before they obtained sovereignty and are fighting together even today when they have gained sovereignty.

Amid a long period of common struggle during which they shared their destinies in the midst of arduous trial, the two peoples have become genuine class brothers and reliable revolutionary comrades- in-arms.

The relations between the people of the DPRK and China have been consolidated during a long period of history as indomitable relations which cannot be broken by anything. The indomitable DPRK-China friendship, which no power can destroy, is based on comradely friendship and fraternal relations between leaders of parties and states.

The great leader Comrade Kim Il-song and Comrade Mao Zedong, the great leader of the Chinese people, respected Comrades Zhou Enlai and Deng Xiaoping, have forged special amicable relations at an early date, and based on these relations, they consolidated the ties of DPRK-China friendship.

Even in recent years, the leaders of the DPRK and China frequently visited each other, consolidated the foundation of DPRK-China friendship, and beautifully cultivated the flower garden of friendship.

Mutual visits and meetings held between the leaders of parties and states on many occasions in recent years served as an important opportunity for consolidating and developing the DPRK-China friendship.

The great leader Comrade Kim Il-song visited China many times in recent years and now visits China again. The great leader Comrade Kim Il-song, visiting China in November 1989, met respected Comrade Deng Xiaoping, Comrade Jiang Zemin, Comrade Yang Shangkun, Comrade Li Peng, and other leaders of the Chinese party and state, and held talks and meetings with them. In these talks and meetings, which were held in a comradely and amicable atmosphere, the leaders of the two countries expressed satisfaction with the fact that the DPRK-China friendship has continuously been expanded and developed into a higher stage without wavering under any circumstance. They also expressed the firm will to constantly consolidate and develop the traditional DPRK-China friendship, which was forged in blood, generation after generation.

The current visit to China by the great leader Comrade Kim Il- song will be an epoch-making occasion for developing DPRK-China friendship into a new higher stage.

China's party and state leaders have visited our country many times. In mid-March last year, respected Comrade Jiang Zemin's visit to our country was his first visit to a foreign country after assuming the important position of general secretary of the CPC Central Committee.

This clearly shows the firm will of Comrade Jiang Zemin and the CPC to treasure and continuously cultivate the DPRK-China friendship which was formed and has been fostered by the great leader Comrade Kim Il-song and Comrade Mao Zedong, Comrade Zhou Enlai, Comrade Deng Xiaoping, and other senior Chinese leaders.

The great leader Comrade Kim Il-song and respected Comrade Jiang Zemin expressed satisfaction with the DPRK-China friendship which bloomed and developed with each passing day. They stressed that this precious friendship be further strengthened and developed in compliance with the common aspirations and desire of the peoples of the two countries and with the demand of the cause of peace, the socialist cause.

This has made the two peoples endlessly rejoice. As proudly emphasized by the leaders of the DPRK and China, the relations between the two peoples are not ordinary relations but special friendly relations which can be seen only between genuine revolutionary comrades.

Because DPRK-China friendship is based on amicable relations and a revolutionary sense of obligation between the two countries' leaders, this friendship is illuminating as everlasting friendship which will be further consolidated and developed with each passing day without yielding to any storm.

The two peoples have a common mission to further expand and develop this friendship and to fight to defend peace in Asia and the world under the banner of socialism.

Today, the two peoples are vigorously marching along the road of socialism and taking common action in compliance with the demands of the prevailing situation. This corresponds to the interest of the people of the two countries and to the cause of global peace and is, indeed, good.

DPRK-China friendship which has a long historical tradition of more than half a century is a matchlessly precious common asset for the people of the two countries.

Just as our people jointly struggled and jointly won victory with the fraternal Chinese people in the past by treasuring the DPRK- China friendship, we will advance shoulder-to-shoulder forever with the Chinese people in the sacred struggle to defend world peace and security and to expedite the future of socialism and communism.

DPRK-China friendship, which is based on amicable relations and a revolutionary sense of obligation between the two countries' leaders and which was forged with blood amid arduous trials, will be firmly consolidated into an indomitable friendship by overcoming all arduous trials and storms and, as history passes, will be in full bloom as an even more beautiful flower garden.

Delegations Depart for, Arrive From PRC

SK0810000391 Pyongyang KCNA in English 1513 GMT 7 Oct 91

[Text] Pyongyang October 7 (KCNA)—A friendship delegation of the board of directors of the Korea-China Hydro-electric Power Company led by Kim Pyong-chil, vice-chairman of the Power Industry Commission, left here today for China.

Arriving here today were a delegation of the Chinese public security armed police led by Wang Wenli, deputy commander of the Chinese People's Armed Police Force, and the song and dance ensemble of the force led by Feng Yanling, vice-director of its political department.

PRC Newspaper Delegation Arrives in Pyongyang

SK0810000191 Pyongyang KCNA in English 1512 GMT 7 Oct 91

[Text] Pyongyang October 7 (KCNA)—A delegation of the Chinese PEOPLE'S DAILY headed by Editor-in-Chief Shao Huaze arrived here today.

It was met at the airport by Editor-in-Chief of NODONG SINMUN Hyon Chun-kuk and Charge d'Affaires ad Interim of the Chinese Embassy Chiang Zhengcai.

NODONG SINMUN arranged a party for the delegation this evening.

XINHUA Delegation Arrives in Pyongyang

SK0710235791 Pyongyang KCNA in English 1509 GMT 7 Oct 91

[Text] Pyongyang October 7 (KCNA)—A delegation of the XINHUA News Agency of China led by Deputy Director General Pang Bingan arrived here today.

Present at the airport to meet the delegation were Vice-Director General of the Korean Central News Agency Han Song-pok and charge d'affaires ad interim of the Chinese Embassy here Chiang Zhengcai.

UK Communist Party Delegation Arrives 4 Oct

SK0510003291 Pyongyang KCNA in English 1541 GMT 4 Oct 91

[Text] Pyongyang October 4 (KCNA)—A delegation of the New Communist Party of Great Britain headed by Eric Trevett, general secretary of the Central Committee of the party, arrived here today.

It was met at the airport by Kim Hyong-u, vice-director of a department of the Central Committee of the Workers' Party of Korea.

Meets Leaders

SK0710052791 Pyongyang KCNA in English 0514 GMT 7 Oct 91

[Text] Pyongyang October 7 (KCNA)—Talks between the delegations of the Workers' Party of Korea and the New Communist Party of Great Britain were held here Saturday.

Present at the talks on our side were Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK], Kim Hyong-u, vice-director of a department of the C.C., WPK, and other officials concerned and on the opposite side were Eric Trevett, general secretary of the Central Committee of the New Communist Party of Great Britain, and members of its delegation.

Discussed at the talks were the question of strengthening friendship and cooperation between the two parties and a series of matters of mutual concern.

The talks proceeded in a friendly atmosphere.

Representative to UN Presents Credentials

SK0810031591 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 3 Oct 91

[Text] Chon In-chan, DPRK permanent representative to the UN Secretariat in Vienna, Austria, presented his credentials to J. Anstee, director general of the secretariat, on 30 September.

The director general hailed our country's entry into the United Nations. Talks at the meeting proceeded in a friendly atmosphere.

New Ambassador to Uganda Presents Credentials

SK0410133191 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 28 Sep 91

[Text] On 25 September (Chon Kyong-chol), our country's new ambassador extraordinary and plenipotentiary to Uganda, presented his credentials to President Yoweri Museveni.

At the meeting the ambassador delivered greetings from the great leader Comrade Kim Il-song and dear leader Comrade Kim Chong-il to President Yoweri Museveni.

The president expressed deep gratitude for this and asked the ambassador to convey his sincere greetings to the great leader Comrade Kim Il-song and dear leader Comrade Kim Chong-il.

The president was very satisfied with the development of friendly and cooperative relations between Uganda and Korea and said that the Ugandan Government fully supports the DPRK's policies and proposals for the reunification of the fatherland.

He enthusiastically congratulated our country's entry into the United Nations. The talks were held in a friendly atmosphere.

Citizens Welcome Student Defector From South

SK0810104291 Pyongyang KCNA in English 1025 GMT 8 Oct 91

[Text] Pyongyang October 8 (KCNA)—Pyongyang citizens met today to warmly welcome South Korean student Kim Yong-kyu who came over to the northern half of the country, while studying at Senshu University in Japan.

An order of the Republic and monetary prize were awarded and a souvenir handed to him at the meeting.

Sin An-pang, vice-chairman of the Pyongyang Municipal Administration and Economic Guidance Committee, said in his welcoming speech that Kim Yong-kyu defected from the South Korean society where the U.S. imperialists lord it over and fascism holds sway and came to the Republic, longing for our socialist system for the people. He highly estimated his coming over to the North as deed of a Korean young man who loves justice and desires reunification.

Speaking in reply, Kim Yong-kyu said: It is only a short time since I came over to the North. What I have keenly felt, witnessing the reality of the North at the first hand, is that the North is a society where man is placed above anything else and held dearest and the South is a corrupt society where money is more valuable than man and money decides everything.

The Grand People's Study House, the People's Palace of Culture, the Mangyongdae School Children's Palace and other world-class edifices built everywhere for the people show the happy life of the people which can be seen only in the North guided by respected president Kim Il-song and the dear leader Mr. Kim Chong-il who shape policies for the people. The South Korean people ardently revere them and want to live under their administration, he said.

In order to promote national reunification, he stressed, I will study hard and devote myself for a unified country.

Diploma Awarded to South 'Martyr' Student

SK0310125191 Pyongyang KCNA in English 1110 GMT 3 Oct 91

[Text] Pyongyang October 3 (KCNA)—The 44th graduation ceremony of Kim Il-song University held today awarded posthumously a diploma to martyr Choe Tok-su, who was a student of Tanguk University in South Korea.

Choe Tok-su is a patriotic martyr who exposed the truth behind the Kwangju massacre in May 1988, fought in the van of the struggle demanding punishment of the principal culprit and burnt himself to death.

President of the university Pak Kwan-o in his speech said that recording student Choe Tok-su as an honorary graduate following student Yim Su-kyong and martyr Cho Song-man is a manifestation of compatriotic obligation and an expression of warm support and encouragement of the entire youth, students and people in the northern half of Korea to the struggle of the patriotic students in the South for independence, democracy and reunification.

The head of the law department received the diploma awarded to Choe Tok-su on his behalf.

At the graduation ceremony a letter to the parents of Choe Tok-su which would be sent over radio was read.

The letter says the diploma awarded to martyr Choe Tok-su reflects the kindred feelings of fellow students in the northern half of the country to realise the dream of the martyr who studied law for the purpose of liquidating injustice and social evils prevailing in South Korea which had been turned into a waste land of democracy, a barren land of human rights by the U.S. imperialists and the military fascists, and enforcing a just law.

The letter points out that the entire students in the northern half of the country will actively support and encourage the just patriotic struggle of the South Korean students, destroy the bulwark of colony and fascism by setting off a storm of revenge to settle a grudge of student Choe Tok-su and other martyrs who unhesitatingly laid their youth on the altar of patriotism and reunification and vigorously fight to bring the new day of independence, democracy and reunification to this land without fail.

Student Leader Previews Panmunjom Meeting

SK0410125191 Pyongyang KCNA in English 1015 GMT 4 Oct 91

[Text] Pyongyang October 4 (KCNA)—Kim Su-hun, chairman of the students committee of Kim Chaek University of Technology, was interviewed by KCNA on the question of a meeting of students agreed upon by the General Student Council of Hangyang University of South Korea and the students committee of Kim Chaek University of Technology.

Noting that a working-level contact between student representatives of the two universities will take place at Panmunjom on October 8 for the discussion of sister relationship, soccer game and other issues of common concern, which was proposed recently by the General Student Council of Hanyang University and agreed to by the students committee of Kim Chaek University of Technology, Kim Su-hun said: It will be a historical meeting conducive to wide-range independent, reunification-oriented and free exchange between students in the North, South and overseas which will be guided by the Pan-National Alliance of [Korean] Youth and Students for the Country's Reunification (Pomchonghaknyon) which is to be formed.

Expressing the belief that Hanyang University students with strong sense of justice and ardent desire for reunification will surely open the way of meeting in the struggle and come out to the talks, he said that a four-member delegation of the students committee of Kim Chaek University of technology will be sent to the conference room of the Neutral Nations Supervisory Commission at Panmunjom at 11 a.m. October 8 (Tuesday), the appointed date.

North-South Student Working Talks Obstructed

SK0810110491 Pyongyang KCNA in English 1030 GMT 8 Oct 91

[Text] Panmunjom October 8 (KCNA)—The working-level contact between delegates of the student committee of Kim Chaek University of Technology and the general student council of Hanyang University in Seoul which was due to be held here today was foiled by the South Korean authorities' obstructions.

The members of our side headed by Chang Tu-nam, a student of the Heat Engineering Department of Kim Chaek University of Technology, came out to the conference room of the Neutral Nations Supervisory Commission here, the venue of the contact, at 11:00, but delegates of the general student council of Hanyang University failed to show up till far past the appointed time.

The liaison delegate of our side at Panmunjom to the North-South Red Cross talks urged his counterpart of the South side through the hot line to properly inquire and inform them why the delegates of the South side failed to appear. The South side's liaison delegate, however, was hell bent on defending the anti-dialogue, anti-reunification demeanor of the authorities.

A press conference was called on the spot in this regard.

Noting that the No Tae-u ruling group blocked the righteous way of fellow students of Hanyang University at the point of the bayonet, the head of our side said this reveals of its own accord that the No group still refuses to give up the old idea of anti- communist, anti-North confrontation and it is a group of anti- national, anti-reunification separatists and traitors who do not want contact and dialogue between the North and the South but only seek a permanent division of the country.

Other delegates said that by blocking a meeting between students of the two universities the South Korean rulers revealed of their own accord that they have no intention to achieve reunification and that their talk about "exchange," "opening," "reunification" and the like is a sheer lie and deception.

South Authorities Policy on Students Criticized

SK0810053991 Pyongyang KCNA in English 0459 GMT 8 Oct 91

["How Dare They Call for 'Exchange' and 'Opening', While Barring Visit to North"—KCNA headline]

[Text] Pyongyang October 8 (KCNA)—The South Korean rulers have put a political check-bar to independent exchange between students of the North and the South through their study tour, the first of its kind after the division of the country. This is a challenge to the fellow countrymen's desire for reunification and an unpardonable criminal act of casting a chill over the ardent desire of students in the North and the South for reunification.

A news analyst of NODONG SINMUN today says, and continues:

The South Korean authorities have persistently prevented students from visiting the North, not giving an affirmative answer to our repeated demand for offering all necessary conditions to Konguk University students for a free study exchange in the northern half of the country.

No Tae-u has zealously cried for "great national exchange," "opening" and "unification" between the North and the South and recently repeated the same in the U.N. arena. But he has not a shred of intention to put them into practice.

The puppets' behavior in keeping some 100 students from visiting the North and the South makes it hard to think that they have the soul and blood of the Korean nation.

What the No Tae-u group wants is "unification through absorption", not peaceful reunification. "Exchange" and "opening" on its lips are intended to pave a criminal way of "unification through absorption".

It is ridiculous of the colonial puppets who are isolated and rejected by the people to call for "unifying the country by absorbing someone".

The puppets must stop acting obtrusively, prompted by a daydream.

Student Leaders Discuss Prevention of Contacts

SK0610123091 Pyongyang KCNA in English 0816 GMT 6 Oct 91

[Text] Pyongyang October 6 (KCNA)—Ko Yong-nam, chairman of the students committee of Pyongyang University of Mechanical Engineering, and Kim Song-yong, chairman of the students committee of Pyongyang University of Music and Dance Saturday released statements to the press denouncing the criminal act of the No Tae-u ruling group in blocking the northern trip of students of Konguk University of South Korea.

The chairman of the students committee of Pyongyang University of Mechanical Engineering said all the matters concerning independent exchange between students of the North and the South which were agreed upon by students of the Korean Language Department of Kim Il-song University and the National Language Course of the Konguk University of South Korea at recent Panmunjom working-level talks between their delegates were a precious fruition of firm patriotic will and unyielding struggle of students in the North and the South to make what little contribution they could to national unity and the reunification of the country.

Noting that the South Korean authorities declared they would never allow the visit to the North by students of Konguk University if the points agreed upon between students of the North and the South at the working-level talks between their delegates were not "withdrawn," he said:

This evoked our hatred and resentments.

It made us see more clearly that "exchange" and "unification" noisily advertised by the South Korean authorities are all hypocrisy to midlead public opinion at home and abroad and they are dyed-in-the-wool splittists who are dead set against reunification.

The chairman of the students committee of Pyongyang University of Music and Dance noted that by blocking the visit to the North by students of Konguk University the South Korean authorities made it self-evident that they are bandits without an iota of conscience and morality and human scum without the blood and soul of the nation.

No matter how desperately the splittists may run about, brandishing bayonets, the students in the North and the South will not retreat a step from the patriotic road of reunification but bring earlier the day of national reunification with their valiant struggle, he stated.

South Students Not Allowed To Present Namelist

SK0510153991 Pyongyang KCNA in English 1519 GMT 5 Oct 91

[Text] Pyongyang October 5 (KCNA)—The student delegates of the Korean Language Department of Kim Il-song University and the National Language Course of Konguk University of South Korea reached a full agreement at their contact September 24 on the establishment of sister relationship and the exchange of study tour groups between the two faculties in order to open the way of nongovernmental exchanges.

It was decided at the contact to deliver the list of the names of the students of Konguk University for a study tour of the North at Panmunjom on October 5.

However, the student delegates of the National Language Course of Konguk University failed to come out to Panmunjom due to the obstructions of the South Korean authorities.

The South Korean authorities, who block nongovernmental contact and dialogue between people of the North and the South under the pretext of "unified channel of dialogue," "allowed" the request for a study tour of the North by students of the National Language Course of Konguk University in a bid to cheat public opinion at home and abroad. But, they despicably banned the visit to the North by South Korean students with an unreasonable pretext when the way of the study tour of the North was opened. Today they mercilessly blocked the student delegates of Konguk University from coming out to Panmunjom to deliver the list of the names of the study tourists.

Religious Groups Condemn Obstruction of Meeting

SK0810153091 Pyongyang KCNA in English 1502 GMT 8 Oct 91

[Text] Pyongyang October 8 (KCNA)—Pak Tae-ho, chairman of the Central Committee of the Korean Buddhists Federation, and Chang Chae-chol, chairman of the Central Committee of the Korean Roman Catholics Association, today issued statements to the press condemning the South Korean authorities for barring visits to the North and the South by students of the Korean Language Department of Kim Il-song University and the national language course of Konguk University of South Korea.

Noting that by blocking the visit to the North by Konguk University students the South Korean authorities fully revealed that their oft-repeated talk about "exchange" and "travel" is nothing but an empty talk to deceive public opinion at home and abroad, Pak Tae-ho said:

This behavior is an intolerable insult to the Buddhists in the North and the South who regard the division of the country and the nation as the greatest suffering.

He called upon all the laymen in the North and the South and abroad to turn out as one to smash anti-national, anti- reunification schemings of the separatists.

Chang Chae-chol said in the statement.

The South Korean authorities have been loudmouthed about "opening" and "exchange" for some one. However, they barred one hundred or more students from travelling between the North and the South for a study tour. Now nobody will believe them, however noisily they may talk about "opening".

True human love and reconciliation, peace and justice are inconceivable while such a group of dyed-in-the-wool separatists as the No Tae-u ruling group are left alone within the nation. The South Korean authorities must step down at an early date before they bump into fiercer condemnations from the nation.

Trade Union Head Urges Allowing Student Meeting

*SK0410120391 Pyongyang KCNA in English
1049 GMT 4 Oct 91*

[Text] Pyongyang October 4 (KCNA)—Won Tong-ku, chairman of the Central Committee of the General Federation of Trade Unions of Korea, in a statement issued to the press Thursday urged the South Korean authorities to open without delay the road of northern trip of students of the national language course of Konguk University which has been agreed upon.

He said the act of the South Korean authorities in blocking again the students' way of study tour of the North without proper reason and pretext is a crime which could be commited only by the gang of traitors and truculent splittists who remain indifferent to the nation and reunification.

The South Korean authorities never let a chance pass by without talking about "exchange" and "unification". But they must know that their sinister scheme to freeze the divison of the country and perpetuate "two Koreas" has been disclosed to the world people and they have lost even the qualification to talk about "exchange" and "unification" by blocking the way of northern trip of the students of Konguk University, he said, and declared.

The entire workers and trade union members in the northern half of Korea will actively support the struggle of South Korean students for independence, democracy and reunification and their movement to realize their visit to the North.

South Government Pursuit of Dissidents Denounced

*SK0610132491 Pyongyang KCNA in English
0834 GMT 6 Oct 91*

["Mean Intelligence Politics of Dictator"—KCNA headline]

[Text] Pyongyang October 6 (KCNA)—The No Tae-u ruling group recently arrested Pak Chong-yol, former policy room chief of the National Council of Student Representatives (Chondaehyop), whom they had been seeking on the suspicion of sending coed Yim Su-kyong to the 13th World Festival of Youth and Students.

Commenting on the base intelligence politics of the dictator, NODONG SINMUN Sunday says.

It was disclosed some time ago that they had shadowed and persecuted 1,925 dismissed workers, leaders of university general student councils, student activists and political offenders after recording their background on computer disks.

This has exposed once again, says the analyst, the criminal color of the No Tae-u ruling group which persistently tracks down and arrests patriotic students and people who aspire after independence, democracy and reunification by resorting to heinous "security-oriented rule" and despicable intelligence politics while noisily advertising "democracy."

It was not once or twice that political surveillance over civilians by the "Security Planning Board" and the "Security Affairs Command" was dragged into light after the appearance of No Tae-u's "Sixth Republic."

Some time earlier, it was exposed that it had been persecuting people of different strata for independence, democracy and reunification and their vital rights after working out a "labor blacklist".

Through the general mobilisation of intelligence tools, the No ruling group is cracking down more harshly on many students and people who are fighting undauntedly for independence, democracy and reunification, keeping them under constant watch and control. What a hideous violation of human rights it is.

By suppressing all the forces and all the people who refuse to meekly obey it at the point of the bayonet, the No group seek to safely pull through the last period of its rule and, furthermore, lay the foundation for its long-term office.

It is an anti-national crime which can be committed only by such military fascist dictator as the No Tae-u ruling group to suppress the people, taking them for its enemy, to gratify its greed for power.

Protecting People Cited as Party's Principle

*SK0710055391 Pyongyang KCNA in English
0530 GMT 7 Oct 91*

["To Protect People's Interests Is Supreme Principle Governing WPK's Activities—KCNA headline]

[Text] Pyongyang October 7 (KCNA)—NODONG SINMUN Sunday carries a signed article stressing that the supreme principle of the Workers' Party of Korea [WPK] in its activities is to resolutely protect the interests of the people.

The article quotes the dear leader Comrade Kim Chong-il as saying:

"In the future, too, we should regard the protection of the people's interests as the supreme principle governing the party's activities and should conduct all its activities fully in keeping with the will and demand of the masses."

Protecting the interests of the people is the supreme principle of our party's activities. It is, above all, connected with the revolutionary character of our party.

Our party is the leading political organization representing the interests of the broad sections of the working people including the working class, guided by the revolutionary idea, the chuche idea of the respected leader Comrade Kim Il-song.

The revolutionary character of our party as the chuche-based party is defined by the chuche idea that regards the popular masses as the most valuable and mightiest being and takes it as its main purpose to protect and realize their interests; the chuche idea clearly expounds the basic principle which must be maintained by our party in its activities.

For our party, the revolutionary vanguard unit of the working class, there can be no other demand and interests apart from the demand and interests of the popular masses. The class mission of our party is to resolutely protect and realize the interests of the people.

To protect the people's interests is the supreme principle of our party's activities next because our party is the mother party which is responsible for their destiny and leads them and it is connected with the fighting goal of our party striving to build socialism and communism.

Today our party has advanced the programme of imbuing the whole society with the chuche idea and is hastening the building of socialism and communism for the purpose of providing a better life to our people, the true master of the state and society. Because of this purpose of socialist construction which our party set out and is striving to attain it is the supreme principle of our party's activities to protect the interests of the people.

Our party puts the masses of the people in the centre of all its activities and makes the overall party work an organizational and political work for making the people lead a fruitful and happy life as the social being and thus the people regard our party as the great mother's bosom to which they entirely entrust their destiny.

The article specifies the leading traits of our party in firmly protecting and realizing the interests of the people, saying that they are manifested in the principle of working out and implementing all the line and policies of the party strictly in keeping with the will and demand of the popular masses and giving precedence to and actively realizing the people's interests in all its work.

Our party's spirit of devoted service for the people and popular policies, its warm care and solicitude that reach every family and every people have engendered absolute trust of the popular masses in the party and tightly linked party and the people by one artery, stresses the article.

KCNA Reviews 7 Oct Pyongyang Press

SK0710064391 Pyongyang KCNA in English 0548 GMT 7 Oct 91

[Press review]

[Text] Pyongyang October 7 (KCNA)—Papers here today carry photo-illustrated reports that Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, met Comrade Yang Shangkun, president of the People's Republic of China, at the Diaoyutai State Guesthouse on October 6, President Yang Shangkun hosted a luncheon in honor of President Kim Il-song, President Kim Il-song visited the Asian Olympic Village in Beijing and President Kim Il-song who left Beijing on a local tour was warmly seen off by the Chinese party and state leaders and many people.

It is reported in the press that mass media of China and other countries widely reported the China visit of President Kim Il-song and the Chinese PEOPLE'S DAILY published an article headlined "Old Friends Feel Particular Intimacy by Meeting Again".

Appearing in papers are reports that the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il were presented with gifts by the Central Committee of the New Communist Party of Great Britain.

NODONG SINMUN reports that "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader", a work of Comrade Kim Chong-il, was studied and disseminated in Peru and India.

Carried in papers is a statement published by a spokesman of the Foreign Ministry of the Democratic People's Republic of Korea in welcome of the statement of the Soviet Union on the reduction of its ground and sea tactical nuclear weapons.

Papers report that a message of thanks of the Central Committee of the Workers' Party of Korea was conveyed to the builders, soldiers and three-revolution team members who had performed labour feats in the expansion of production capacity of the Musan mining complex and the expansion of production capacity of iron headings was completed and a commissioning ceremony was held.

NODONG SINMUN informs the readers that a starting ceremony of the electrification of Hamhung-Pujon railway line in South Hamgyong Province was held.

Premier Yon Hyong-muk of the Democratic People's Republic of Korea was interviewed in New York by reporters of the Korean newspaper NEW KOREA TIMES published in Canada, says the press.

NODONG SINMUN reports that the general secretary of the Central Committee of the Communist Party of Vietnam met the DPRK ambassador to his country, a newly-appointed DPRK ambassador to Uganda presented his credentials to the Ugandan president, talks were held in Pyongyang between delegations of the Workers' Party of Korea and the New Communist Party of Great Britain and Foreign Minister Kim Yong-nam who was participating in the 46th session of the UN General Assembly was interviewed in New York by an AP [The Associated Press] reporter.

The chairman of the Central Committee of the Nepal Workers and Peasants Party who is attending the international solidarity march for supporting Korea's reunification supported the Korean people's cause of national reunification, reports the press.

It is reported in NODONG SINMUN that the president of the Rwanda National Development Council, youth organisations of different countries and the organisation of Afro-Asian, Latin American peoples solidarity published statements and commentaries on getting the U.S. troops and nuclear weapons withdrawn from South Korea and denuclearizing the Korean peninsula.

Given in papers is news that the chairmen of the Students Committees of Pyongyang University of Mechanical Engineering and Pyongyang University of Music and Dance released statements to the press denouncing the criminal act of the South Korean authorities in blocking the northern trip of students of Konkuk University of South Korea.

The secretary general of the Ghanaian national institute of the chuche idea and foreign organisations published statements in connection with the DPRK's entry into the United Nations and foreign media reported the statement of the DPRK Foreign Ministry on this, according to NODONG SINMUN.

Papers report that Comrade Jiang Zemin and Li Peng met national minorities visiting groups, the Central Committee of the Communist Party of China issued a directive on saving grain and deal with achievements of China in science and technology.

NODONG SINMUN reports that delegates of developing countries called for establishing a new international economic order at the 46th session of the UN General Assembly and carries an article on the recent progress of the peace process in El Salvador.

KCNA Reviews 8 Oct Pyongyang Press

SK0810054891 Pyongyang KCNA in English 0448 GMT 08 91

[Press review]

[Text] Pyongyang October 8 (KCNA)—Papers here today carry photo-accompanied reports that Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, arrived in Jinan, Jinan citizens welcomed him warmly and he visited the Jinan machine tool factory No. 2.

Also given in the press is news that the Shandong Provincial Committee of the Communist Party of China and the Shandong Provincial People's Government arranged a grand banquet in welcome of President Kim Il-song's visit to Jinan, he went round Daminghu Park and some suite members visited the Jinan general auto works.

The Chinese and other foreign news media gave wide publicity to the China visit of President Kim Il-song, according to the press.

Lectures on "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader," a work of the dear leader Comrade Kim Chong-il, were given in India and Guyana, says the press.

NODONG SINMUN reports that on the occasion of the 46th founding anniversary of the Workers' Party of Korea a Korean photo exposition and film week opened in Tanzania and the Guyana-Korea friendship association published a bulletin.

"To Glorify the Feats Performed by Our Party in Economic Construction Is Honorable Task of Officials of State and Economic Bodies" is the title of a MINJU CHOSON article.

The Pochonbo light music troupe on a visit to Japan gave performances before full houses in Hiroshima and Gokura, says the press.

NODONG SINMUN runs a commentator's article headlined "Nuclear Threat Should Be Removed".

The paper gives an account of meetings held to mark the founding anniversary of the Chonchon University of Technology, Cha Kwang-su University and Songdo University.

Appearing in the press are reports that the international signature campaign for supporting the independent and peaceful reunification of Korea was held abroad and a starting ceremony of the "international solidarity march for supporting Korea's reunification was held in Ireland.

NODONG SINMUN in a commentary denounces the South Korean authorities for loudly talking about "exchange" and "opening", while blocking a visit to the North.

The paper gives an account of an indignation meeting of students in Kaesong held to condemn the South Korean authorities for blocking the visit of Konguk University students to the nothern half of Korea.

Seen in the paper are reactions of working people to the notes and a letter of old man Yi In-mo, former war correspondent of the People's Army. The paper carries news that a lawyer of South Korea called for the abrogation of the "National Security Law" and "society for rescuing those concerning Pomminnyon (Pan-National Alliance for the Country's Reunification)" was formed in Tokyo, Japan.

Given in the paper is what the general secretary of the C.C., the Workers' Party of Bangladesh said in high tribute to the Workers' Party of Korea.

Papers dedicate articles to the 24th anniversary of the death of Che Guevara.

Foreign countries and organizations made public statements or sent congratulatory messages regarding the DPRK admission to the United Nations and foreign ministers of different countries hailed the DPRK's U.N. membership, says the press.

Introduced in the press is China advancing under the uplifted banner of socialism.

NODONG SINMUN reports that the president of Botswana called for cooperation among the southern African countries.

MINJU CHOSON carries an article captioned "Independent Aspirations of Developing Countries".

South Korea

No Tae-u Interviewed on Reunification, Economy

SK0710141491 Seoul KYONGHYANG SINMUN in Korean 5 Oct 91 pp 3, 4

[Interview with President No Tae-u by editor-in-chief Hong Song-man on 4 October at Chongwadae in Seoul]

[Text] [Hong Song-man] Since your visit to the UN General Assembly, is there any change in your forecast that "reunification will be achieved within this century?" When and in what way do you think reunification will be achieved?

[No Tae-u] North Korea is experiencing great international pressure to open up and its internal situation is also making it inevitable to carry out practical lines.

It will be inevitable for North Korea to open up, and, in reality, it is opening up. If rigid North Korea opens up, then the process for reunification will be accelerated.

I am of the firm belief that the divided situation on the Korean peninsula will come to an end within this century. However, I do not wish for North Korea to fall into internal chaos due to rapid changes. This will not only bring tragedy to the North Korean compatriots but may also bring unexpected danger to the Korean peninsula. If North and South Korea develop relations of coexistence and co-prosperity, the road of peaceful reunification will be opened in the near future.

[Hong] Do you think that the United States, the Soviet Union, and neighboring countries around the Korean peninsula want Korea's reunification?

[No] In the ROK-U.S. summit talks that took place in early July in Washington and on 23 September in New York, President Bush emphasized that the United States wholly supports the ROK's reunification and that it will actively support it.

When I met Soviet President Gorbachev during my visit to Moscow last year and when I held summit talks with him during his visit to Cheju Island in April, he made the same promise to me.

The United States and the Soviet Union both think that instead of a divided Korean peninsula, which has been a key factor in this region's tense situation, a prosperous united Korea that is friendly and cooperative with these two countries will be better for their interests. Now reunification is dependent upon our people's independent capacity.

The period in which outside forces have been barriers to our reunification is coming to an end.

[Hong] How much do you think we will have to spend for reunification? In order to prepare for reunification, rumors say that in some sections of the government, the establishment of a reunification tax is being examined.

[No] At this stage, an examination on establishing a reunification tax is not being carried out.

There is a report by our research institutes saying that in order to resolve heterogeneous issues between North and South Korea and to achieve social integration, approximately $150 billion at the minimum will have to be spent in reunification expenditures.

Rather than trying to be inquisitive about reunification expenditures at this stage, our absolute task at this time is to work to the utmost to foster the strength of freedom and prosperity. What is most important in North-South issues and reunification is unity between our society and people. If we are utterly disrupted, as was the case right after liberation when we were divided, we will not be able to achieve reunification, even if that opportunity comes. Concerning national issues, we must gather all the people's wisdom and cope with this through suprapartisan and pan-national measures.

[Hong] How do you assess North Korea's capability of developing nuclear weapons, and if North Korea pushes ahead to develop nuclear weapons, what countermeasures will the government take?

[No] North Korea must give up its plan to develop nuclear weapons and unconditionally respond to international nuclear inspection of its nuclear materials and nuclear facilities. If North Korea pushes ahead to develop nuclear weapons, this will not be a problem limited to North and South Korea but will spread to threaten world peace. Therefore, even international restrictive measures can be taken against North Korea. At a time when all the countries of the world, including the United States and the Soviet Union, are demanding that North Korea give up its development of nuclear weapons, North Korea must respond to this before an unfortunate incident takes place.

[Hong] In step with President Bush's announcement that the United States will change its policy on the nuclear issue, do you have any plan for declaring a nuclear-free zone on the Korean peninsula?

[No] In my speech at the UN General Assembly, I emphasized the peaceful use of nuclear power and that the reduction of nuclear weapons must be achieved now that the cold war confrontation has come to an end.

The current pending issue is to prevent North Korea from developing nuclear weapons. This must be a priority, more than anything else.

Denuclearization on the Korean peninsula means no nuclear weapons in North or South Korea. I clearly revealed in my UN speech that if North Korea gives up its plan to develop nuclear weapons and if progress is made in achieving military trust between North and South Korea, I am willing to negotiate with the North Korean side about any issues, including the nuclear issue on the Korean peninsula.

However, a nuclear-free zone cannot be achieved on the Korean peninsula, even if we declare it so. This is because even though nuclear weapons do not exist on the Korean peninsula, nuclear weapons can always reach this land in today's conditions in which the means of nuclear delivery are extremely developed and because we cannot escape from the threat of nuclear weapons.

[Hong] On your way home after visiting the United Nations and Mexico you met reporters in Hawaii and said that "specific measures are being prepared to promote practical arms control between North and South Korea." Can you tell us about this?

[No] I cannot reveal its specific content yet. However, first, North and South Korea must establish trust, and a peace agreement and an effective nonaggression declaration must be achieved under the basis of recognizing each other's entity. The next stage is, as a practical move, to carry out arms control by converting the 1.7 million-strong North and South Korean armed forces into economy.

This kind of issue must be discussed and agreed upon at talks of various levels, including the high-level talks, so that the purpose of our admission into the United Nations can be achieved. Because of North Korea's situation, we cannot suddenly achieve arms control and make North Korea think that "everything is all right." We are trying to resolve issues one by one patiently and by waiting.

[Hong] As President Bush declared to abolish short-range nuclear weapons unilaterally, which should ease the military confrontation structure between North and South Korea, do you have any plans to first announce measures to unilaterally reduce arms so that this can be developed into North-South Korean arms reduction?

[No] One should note that President Bush's change in the U.S. policy on nuclear weapons was basically carried out due to changes in the Soviet Union. Even though the whole world is rapidly moving toward reform and openness, North Korea is not throwing away its military adventurism, even to the degree that it is rejecting inspection of nuclear weapons. Measures that ignore reality can bring about military danger.

[Hong] Since the coup d'etat in the Soviet Union, relations between the Soviet Government and republics have not been completely reconciled. Will economic cooperation with the Soviet Union be promoted as scheduled?

[No] We will further develop close relations with the Soviet Union, which has firmly promoted reform since the coup d'etat's failure. We will promote economic cooperation with the Soviet Union as scheduled. I hope that through this, the Soviet Union can overcome the present difficulties that they are facing and successfully lead reform.

[Hong] North Korean President Kim Il-song is currently visiting Beijing. What do you think ROK-PRC relations will be after his Beijing visit? Do you think that the ROK and the PRC will be able to establish diplomatic relations by early next year?

[No] Many people think so. When I met President Gorbachev in San Francisco, did you think that diplomatic relations between the ROK and the Soviet Union would be established at once? Considering that China is a very careful country and takes prudence when making decisions, the development between the two countries, mainly in the form of economic exchanges and extending to political issues, is not as late as we expected.

China is promoting openness to develop its own economy and wants the North and South Korean issue to develop into relations of restoring trust. The Chinese foreign minister's UN speech expressed sympathy with my UN speech. Relations between China and us are being carried out very well, and from this viewpoint we can forecast desirable progress.

[Hong] How do you assess North Korean Premier Yon Hyong-muk's UN speech?

[No] In a nutshell, it was upsetting. In order to elucidate that it will adhere to the socialist system, North Korea must establish its own kind of principle, but this runs counter to the world's trend. North Korea cannot violate the original aim of the UN Charter but it had to include its point of view. In one way it was even pitiful. However, this kind of difficult position can be the initiative for North Korea to change. It will be acceptable to view that this itself is a sign of change.

[Hong] When do you plan to hold the next Democratic Liberal Party [DLP] congress for the nomination of the presidential candidate?

[No] The DLP will choose its presidential candidate according to democratic procedures, as stipulated in the party constitution.

[Hong] Even though you say that the presidential candidate will be chosen according to the dictates of the party constitution, what we would like to know is what you think about it.

[No] It is not so much the president's opinion as public opinion that counts. I also am trying to read what people think about it.

[Hong] In screening DLP candidates for the 14th National Assembly election, do you plan to share the prerogative of choosing the candidates with the three DLP cochairmen based on an agreement, or will you consult with them in the process of choosing candidates? Also, please tell me what qualifications the potential candidates need to have.

[No] The DLP candidates will be according to the party constitution. Figures who have committed themselves to a devoted struggle for the country and democracy are the ones who will be chosen to run for the 14th National Assembly election. They must also enjoy public trust and support.

[Hong] Political observers conclude that the emergence of the Democratic Party [DP] has made competition between Cochairman Kim Yong-sam and Cochairman Kim Tae-chung inevitable. What do you think of this fact?

[No] In response to the degree of democratization in our country, the people's choice of political parties will steadily change to take into consideration the political parties' lines and policies, as well as their ability to translate such lines and policies into action.

In this regard, I am happy to see the emergence of a new, unified opposition party. I hope that the birth of a two-party system will contribute to developing democracy and party politics in our country.

[Hong] You have not seen former President Chon even after he returned from Paektam Temple, and he is said to be angry at you still. How will you try to break the ice between yourself and former President Chon? Also, do you have a plan to meet him in the near future?

[No] We have been friends for over 40 years. As former and current presidents, we can meet each other at any time.

[Hong] Rumor has it that you will reshuffle the cabinet after the current session of the National Assembly comes to an end. What is the purpose of your rumored cabinet reshuffle and on what scope will it be?

[No] Cabinet reshuffles create problems for the ministers who are supposed to be consistent in their policies. So, it is not desirable to change cabinet members frequently. However, the end of the current session of the National Assembly means the end of the term of the 13th National Assembly. I think I can effect a sort of cabinet reshuffle to prepare for a new National Assembly, the 14th.

[Hong] The so-called "buy-your-way-into-school system," which the government planned to introduce to ease the financially strapped private institutions of higher learning, has caused such an uproar. Does your government plan to put it in force in 1993?

[No] Privately run institutions of higher learning in our country are in financial trouble. In order to raise their quality to the level of foreign schools, they need new sources of funds to expand their faculty and facilities. This is why government officials concerned have considered the introduction of what is known as the "buy-your-way-into-school system." Opinions, both consenting and dissenting, are pouring in about the idea from all social strata. The government should provide assistance to schools so that they can achieve healthy development on the basis of respecting the national consensus.

[Hong] Are you willing to introduce a real-name bank account system during the remainder of your term in office?

[No] To try to change at one stroke a social custom that has continued for so long, without taking into consideration our people's way of thinking and economic reality, runs the risk of creating confusion in the economic order, no matter how good the goal pursued by such attempts may be.

Such a custom as a real-name bank account system is not something that can be controlled by law. Therefore, it should be left to society to decide for itself.

[Hong] The trade surplus that was put at $14 billion when the Sixth Republic was inaugurated has now been turned into a trade deficit of about $7 billion. What measures do you have for avoiding giving the deficit-ridden economy to the next government?

[No] There can be various reasons for such an unexpected rise in trade deficits, and one of these basic reasons is the structural shift that our country's economy is going through.

The wage hike is far ahead of the increase in productivity in our country, and our business firms have lost the competitive edge in the international market, as they have neglected investing in advancing technology and automation.

The rising trends of consumption and the market opening and the ensuing increase in imports have also worked to weaken the competitiveness of our business firms, thereby inflating the trade deficits.

Our economy, which has gone through a phase of realignment, is now in the process of recovering its vitality.

Instead of enthusing over short-term remedies, our government will run the economy by concentrating on hardening the foundation for economic growth based on long-term policies. With this in mind, we in the government will keep the prices down and help manufacturers become competitive before anything else.

[Hong] What kind of life do you intend to lead after you retire? Do you plan to keep ties with the DLP?

[No] I have many things to do. So, I am too busy to think about what kind of life I will lead after my retirement. The DLP is a party built under my direction. I am not sure what you want to hear from me by asking if I will preserve my ties with the party. One thing, however, I can tell you with certainty: I cannot give up my ties with the party that I helped build.

After retirement, I will return to my former self, that is to say, I would like to become a common citizen leading a rewarding life, meeting friends and neighbors without restriction, doing, willingly, what I can to contribute to national development.

Experts View 'Failed' Kim Il-song Trip to PRC

SK0810045291 Seoul THE KOREA TIMES in English 8 Oct 91 p 2

[By staff reporter Kim Chang-yong: "Kim Il-song Only Gets Lectures for Reforms"]

[Text] North Korean President Kim Il-song was given a warm reception during his stay in Beijing but remained largely empty- handed, international relations experts here said yesterday.

His generally "failed" trip is likely to force North Korea, battered by serious food and hard currency shortages, to seek its own economic reforms and approach to Western countries to pull the faltering economy from further deterioration.

Chinese leaders reaffirmed strong solidarity with Kim's staunchly socialist country in the face of worldwide collapse of communism and held back commitment to outright economic assistance.

Communist Party chief Jiang Zemin just told him Friday that China would "do its utmost to consolidate and expand the Sino-Korean friendship, no matter what changes occur in the international situation," according to a People's Daily report.

He then explained about China's economic difficulties. "China's arable land is limited. Its population is large. To expand agricultural production, we must rely on science," the report said.

On the following day, Premier Li Peng gave pointed advice about a market-oriented economy without assuring the North Korean president of any substantial assistance.

China is transforming its backward economy into a developing stage through gradual reforms but it has no ability to compensate for the Soviet Union's cutoff of aid to North Korea, and oil and arms supplies at much lower "comrade prices," the experts noted. A great flood devastated China's breadbasket this summer.

"Kim might feel more pressed to woo Western aid as he found no option open for the North in the declining socialist bloc to save its economy," one North Korea watcher at the Unification Board said.

While the North is attracting foreign investors for its plan for "special economic zones" near the Tumen River bordering China, Kim Il-song is expected to take a first-hand look at similar Chinese industrial cities during his 39th, but unusually long 11-day visit to China. After a three-day stay in Beijing, he is now touring the provinces.

South Korea will send working-level officials to a six-nation regional meeting of the United Nations Development Program, scheduled for next week in Pyongyang, for the project. The other five countries are Japan, the Soviet Union, China, Mongolia and North Korea.

South Korean officials further expected that the North would eventually concede to growing demand for its opening of nuclear installations to international inspection as a part of its bids to have better relations with the West, its last resort, which has stayed cool to its diplomatic offensives.

The North has so far delayed signing a nuclear safeguards agreement with the International Atomic Energy Agency, linking its action with a pullout of nuclear warheads from the South.

Its negligence of the duty required under the Nuclear Non- Proliferation Treaty which it signed in 1985 is a great stumbling block in its normalization talks with Japan and vigorous pursuit of improved ties with the United States.

Washington cleared the way for its prompt action by taking the initiative to withdraw overseas tactical nuclear weapons including those in South Korea, a policy reciprocated by Moscow's similar response on Saturday.

Chinese leaders' commentary on the North's nuclear development project was not available this time but its top diplomat virtually joined in the concern among the countries concerned including the United States and the Soviet Union as well.

Foreign Minister Qian Qichen told a press conference in Vienna Friday that China does not want a nuclear presence in either part of the divided Korean peninsula, a remark which officials here interpreted as a strong warning against nuclear proliferation to a Third World country like the isolated North.

Yet Kim Il-song appeared to have persuaded Chinese leaders again to postpone normalization of relations with rival South Korea despite rapid developments in other fiends, in particular economic and trade sectors. Vexed by the swift rapport between Seoul and Moscow, he made an unannounced trip to Shenyang and met Chinese paramount leader Deng Xiaoping last year.

PRC Minister Cited on North Nuclear Program

SK0510063791 Seoul TONG-A ILBO in Korean 5 Oct 91 p 1

[Correspondent Choe Maeng-ho in Vienna]

[Text] On 4 October, Chinese Foreign Minister Qian Qichen for the first time officially made plain China's opposition to the controversial issue of North Korea's nuclear weapons development by saying "China wants neither side of the South or the North to possess nuclear weapons."

In a news conference held on 4 October, Foreign Minister Qian Qichen who came to Austria for an official visit, said that "the development of nuclear weapons on the Korean peninsula is undesirable not only for the peninsula itself, but also for China."

He also said: In the wake of U.S. President Bush's announcement on nuclear policy centered on the withdrawal of tactical nuclear weapons from Asia, I believe there will be progress in North Korea's nuclear issue.

By saying that "international inspection of nuclear facilities in North Korea and the withdrawal of U.S. nuclear weapons deployed in the ROK are two different things," he indirectly denounced North Korea's linkage policy.

Minister Qian said the same thing in a meeting held on 3 October with Hans Blix, secretary general of the International Atomic Energy Agency [IAEA]. One IAEA official quoted Qian as saying that "China has never supported North Korea's nuclear development."

On the subject of establishing formal diplomatic relations with the ROK, Qian avoided commenting on setting up diplomatic relations, saying, tersely, that "the economic relations between the two countries are being strengthened."

PRC Forms 'Equidistant Policy' on Two Koreas

SK0510090891 Seoul CHUNGANG ILBO in Korean 5 Oct 91 p 1

[Report by correspondent Chon Taek-won in Beijing]

[Text] On 5 October, a source in Beijing said that China, realizing that in actuality there are two states on the Korean peninsula, the ROK and North Korea, has decided to push for an equidistant policy on these two countries.

This source revealed that although it outwardly and repeatedly has expressed its support for North Korea as a traditional friendly socialist country, China internally already has decided to implement this equidistant policy toward North and South Korea and has been pushing ahead with it.

This source also said: "Such a change in China's policy was adopted by the party leaders around the beginning of this year, and North Korea was notified of it through a North Korean official."

The source also said that the Chinese leadership internally formulated a policy so that China should deal with North and South Korea based on the equidistant principle and that China should not directly interfere in issues between the North and the South.

Imports From PRC Increase by 61 Percent

SK0510020191 Seoul YONHAP in English 0150 GMT 5 Oct 91

[Text] Seoul, Oct. 5 (YONHAP)—Corn and cement imports from China have increased rapidly this year, but South Korea's imports from its communist neighbor in the first eight months of the year include electric and electronic goods, the Trade and Industry Ministry said Saturday.

Imports from China jumped 61.6 percent from the same period a year earlier to 2.15 billion U.S. dollars, compared to a total import growth rate of 24.1 percent. In January-August, 4 percent of all Korea's imports were Chinese products, compared with 2.8 percent in 1989 and 3.2 percent in 1990, the ministry said.

Corn, and other agricultural products and cement were the leading imports until now, but home appliances, machinery, electric and electronic parts have begun to edge them out by being price competitive.

Korea imported 72.1 percent more Chinese agricultural products than a year earlier—621 million dollars, or 28.9 percent of its imports from China.

Chinese corn is 6-7 percent cheaper than U.S. corn and delivery is faster, so Korea is changing its corn purchases from the United States to China.

Though imports of machinery parts are still meager, amounting to 2.1 percent of imports from China, preference for Chinese goods is growing due to wage hikes and a shortage of skilled labor in Korea.

Chinese semiconductors, dry cells, loudspeakers, lighting fixtures, furniture, musical instruments, umbrellas and shoes are surging into the Korean marketplace as they are attractively priced, the ministry said.

Imports of PRC Electronic Goods Increase

SK0810090791 Seoul YONHAP in English 0802 GMT 8 Oct 91

[Text] Seoul, Oct. 8 (YONHAP)—Imports of electric and electronic products from China in the first eight months of this year rose a whopping 146 percent from the same period a year earlier, trade officials said Tuesday.

The officials said imports of Chinese products, worth totaling 27,846,000 U.S. dollars, included semiconductors for electronic appliances and batteries.

Of the total, imports of electric alarms and electronic medical equipment accounted for 1,590,000 dollars, or 42 times more than the same period a year earlier, the officials said.

Imports of semi-conductors for electric home appliances also increased seven-fold to 1,530,000 while those of portable radio- cassette players and speakers rose two to seven times, they added.

Poll Finds Majority Favor U.S. Presence

SK0810052591 Seoul THE KOREA TIMES in English 8 Oct 91 p 2

[Text] A majority of South Koreans do not object to having U.S. nuclear weapons in Korea, but 34 percent calls for the removal of nuclear weapons from Korea, according to a survey published yesterday by the vernacular newspaper Kyunghyang Shinmun.

For its 45th anniversary, the paper in collaboration with the Institute of Asian Studies, a private research organization, polled 1,200 adults across the nation Sept. 7-14.

Of them, 30.1 percent said, "A nuclear presence is absolutely necessary to deter war;" 34.7 percent said, "It would be better without nuclear arms, but it's still okay;" and 33.9 percent called for the withdrawal of nuclear weapons from South Korea.

Almost 84 percent were opposed to the use of nuclear arms in any circumstances, but 14.4 percent said they should be used if the need arose.

On a pullout of U.S. forces from South Korea, 26.5 percent said "no way before reunification of the Korean peninsula" and 37.4 percent expressed concern it would be premature, the paper said.

Asked what must be done to improve inter-Korean relations, 45.1 percent recommended reuniting the 10 million members of separated families in both halves of Korea, 20.1 percent called for a Seoul- Pyongyang summit, 12.5 percent said a non-aggression declaration must be adopted first.

ROK To Attend Aviation Conference in Beijing

SK0810060891 Seoul YONHAP in English 0238 GMT 8 Oct 91

[Text] Seoul, Oct. 8 (YONHAP)—A three-member South Korean delegation will attend the 27th conference of directors-general of civil aviation of Asia and the Pacific in Beijing next week to discuss technological cooperation, air space systems and aviation safety, the Transportation Ministry said Tuesday.

Thirty-four countries in the region are expected to attend the conference, which is hosted by the Civil Aviation Administration of China.

It will be a good opportunity to talk with Chinese officials about bilateral aviation cooperation as the two countries have yet to establish diplomatic ties and talks on opening a direct air service between Seoul and Beijing have been moving slowly, Ministry officials said.

Chang Pu-si, director-general of the Ministry's Civil Aviation Bureau, will lead the delegation to Beijing. They are to leave on Saturday.

The conference will deal with air space management, aviation safety and technological cooperation. The Korean delegation will make a presentation on modernizing aviation security systems.

Korea is preparing to seek a seat on the board of the International Civil Aviation Organization (ICAO) when it meets next year in Montreal, and the delegates are to muster support for the bid during the conference, ministry officials said.

Chang is to meet with ICAO President Assad Kotaite, they said.

Opposition Urges Trilateral Denuclearization Talks

SK0810061091 Seoul YONHAP in English 0315 GMT 8 Oct 91

[Text] Seoul, Oct. 8 (OANA-YONHAP)—Opposition leader Yi Ki-taek, addressing a plenary session of the National Assembly Tuesday, called for trilateral talks on denuclearization of the Korean peninsula by South and North Korea and the United States.

"Denuclearization of the Korean peninsula, which is crucial to peace on the peninsula, should be realized as soon as possible," the co-chairman of the opposition Democratic Party said in his nationally televised address.

"A meeting of South and North Korea and the United States is necessary to adopt a joint declaration on denuclearization by the three parties involved," he said.

With the admission of South and North Korea to the United Nations, conditions for the reunification of Korea had ripened, Yi said, urging lawmakers to work out a more detailed and forward- looking blueprint for reunification.

The reunification issue, which in the past was used by the political regime in power, should be totally reviewed, said Yi, who shares leadership of the Democratic Party with Kim Tae-chung.

Free discussion on reunification should be guaranteed and a pan- national consultative body for national reunification set up, he said.

Yi demanded that the government expand exchanges with North Korea, including allowing South Koreans to watch North Korean television and abolishing the National Security Law.

The South should take the initiative in arms reduction talks with the North, and it should promote inter-Korean exchange and a non- aggression declaration at the same time, he said.

He urged the government to clear away scandals and to release "prisoners of conscience" and restore their political rights.

He maintained that the government had caused the Suso District housing scandal and the other dark episodes even though liquidation of scandals was one of the tasks imposed on it.

Yi also claimed that the government had worsened the human rights situation in korea and deepened the conflicts among regions.

The government ought to work out ways to hold elections using less money and set the political schedule for next year, including general and presidential elections, Yi said.

He suggested that the government tighten monetary policy to curb spiralling inflation and readjust the budget increase to 15-16 percent. The government's budget calls for a 24-percent rise in spending from 1991.

The Assembly will hear the government's administrative policy speech Wednesday and question the administration from Thursday until Oct. 15.

Seoul To Offer 'Progressive Proposal' to North

SK0510080091 Seoul YONHAP in English 0741 GMT 5 Oct 91

[Text] Seoul, Oct. 5 (OANA-YONHAP)—Unification Minister Choe Ho-chung said Saturday South Korea will make a progressive proposal at this month's inter-Korean prime ministers' talks to simultaneously settle basic agreement on improving relations, cross-border trade, travel and communication and non-aggression pact.

Answering questions before the National Assembly Foreign Affairs- Unification Committee, Choe said Seoul will also propose further talks on rice trade to Pyongyang at this month's meeting.

Fourth round of South-North Korean prime ministers' talks are scheduled in Pyongyang from Oct. 22. Choe said Seoul will table a progressive proposal aimed at resolving differences on how the two sides should seek improved relations.

North Korea insists on signing a non-aggression pact first while South Korea demands the two sides reach a basic agreement on improving ties, including free travel, trade and communication across the border.

South Korea's Chonji Trading Co. in March signed a contract with North Korea's Kumgangsan International Trade and Development Corp. to swap rice from Seoul with coal and cement from Pyongyang.

Seoul shipped 5,000 tons of rice on July 27.

The unification minister said his government plans to propose further rice shipment to North Korea during the inter-Korean prime ministers' meeting.

ROK To Back North's Attempts To Obtain Loans

SK0810055091 Seoul YONHAP in English 0120 GMT 8 Oct 91

[Text] Seoul, Oct. 8 (YONHAP)—South Korea will back North Korea's attempts to join international financial organizations such as the Asian Development Bank (ADB) to help open up its economy and activate economic exchange with the South, a government official said Tuesday.

North Korea is desperately short of foreign exchange and is seeking foreign loans to finance projects such as creation of a special economic zone in the Tuman River area, so South Korea will help North Korea win loans from ADB or from the World Bank, the official said.

North Korea has decided to apply to join ADB, and the government will take positive steps to see that North Korea is admitted once it formally expresses its wish to become an ADB member, he said.

North Korea's ADB membership will be discussed in the annual ADB meeting in may next year.

Seoul thinks that making Pyongyang a member of international financial bodies would expedite the opening of its economy and so will support its admission to ADB and help it get loans from the regional financial organization, he said.

Seoul's decision to help Pyongyang will be conveyed to the North Korean Government during the United Nations Development Program meeting in Pyongyang Oct. 18.

North, South To Attend UN Environmental Meeting

SK0510060391 Seoul YONHAP in English 0522 GMT 5 Oct 91

[Text] Seoul, Oct. 5 (YONHAP)—Delegations from South and North Korea will attend a U.N. meeting in Vladivostok, the Soviet Far East, this month to discuss protection of the Pacific Ocean, the Foreign Ministry said Saturday.

Japan, China and the Soviet Union will also be represented at the consultative meeting of experts on the Northwest Pacific Action Plan (NOWPAP), hosted Oct. 28-31 by the United Nations Environment Program (UNEP).

It will be the first unofficial forum in which South and North Korean delegates discuss cooperation since the two countries were admitted to the United Nations last month, ministry officials said.

The meeting is expected to focus on adoption of a pact for cooperation among the five Northeast Asian countries for the development of NOWPAP.

Marine protection accords have been adopted for eight regions, including the Mediterranean Sea and the Caribbean Sea, since UNEP began its regional sea protection task in 1974.

A ministry official said North Korea was sure to participate as the five countries agreed in principle to attend during a UNEP meeting in May.

South Korea's delegation will comprise officials of the foreign and environment ministries and experts from the Korea Marine Institute.

They will discuss such matters as prevention of sea pollution, regulation of discharge of pollutants from the land and systems for cooperation and surveillance in the event of an accident.

North-South Direct Tourist Exchange Expected

SK0810093791 Pusan PUSAN ILBO in Korean
30 Sep 91 p 1

[YONHAP report]

[Text] Direct North-South exchange of tourists is expected to be facilitated within at the earliest this year.

Concerned authorities and tourism circles said on 30 September that Yu Sang-yol, who facilitated North-South direct rice trade and is chairman of the Chonji Trading Corporation and Chonji Air Travel Agency, recently reached an agreement in Japan with Pak Kyong-yun, chairman of the Kumgangsan International Group. The authorities and relevant tourism employees said that North and South Korea will form a group of approximately 10 tourists each and exchange them simultaneously and that the first round of exchange will remain private.

Chairman Pak advanced this proposal to Chairman Yu and they agreed on it during banquets that took place from 17 to 20 September in Japan to praise the North-South UN admission.

Chairman Pak asked Chairman Yu to change the name from "rice of love" to "gift rice." It was learned that North Korea had expressed its willingness to receive more rice if South Korea changed its name. Meanwhile, South Korea sent its "rice of love" to North Korea last July.

Chairman Pak is considered the North Korean side's external channel for trade and tourism.

If the North-South exchange of tourists is facilitated, then it will be more meaningful than direct trade.

Chairman Yu's Chonji Air Travel Agency was established on 5 December 1989 and arranged overseas trips for 105 people by the end of July. This company is not allowed to arrange domestic trips for foreigners.

An aide to Chairman Yu said: "To prepare for direct North-South tourist exchange, the company has been working on a plan to register itself as a travel agency that can also handle domestic trips."

Kim Chong-il Said Born in Soviet Union

SK0710145591 Seoul CHUNGANG ILBO in Korean
4 Oct 91 p 1

[Compiled by ROK reporters team in Beijing]

[Text] Contrary to the North Korean allegation that Kim Chong-il was born on Mt. Paektu, it was confirmed that he was born in the military encampment of the 88th Independent Brigade in Vyatk, near Khabarovsk in the Soviet Union, on 16 February 1942. This was confirmed by Mrs. Yi Chae-tok, 74, resident of Beijing, China, who was Kim Chong-il's wet nurse while Kim Chong-suk, Kim Il-song's first wife, acted as a fighter in this military encampment.

North Korea's official record has claimed to date that Kim Chong-il was born in a secret camp of an anti-Japanese guerrilla unit on Mt. Paektu on 16 February 1942.

Mrs. Yi testified, "I met Kim Chong-suk for the first time in November 1941, when the 3d detachment, 3d Army, Northeast Anti-Japanese Combined Army [Yongun], to which I belonged, completed moving to Vyatk 75 kilometers north of Khabarovsk during the suppression of the anti-Japanese guerrillas in Manchuria by the Japanese imperialists. Kim Chong-suk had been married to Kim Il- song and was pregnant then and soon gave birth to Kim Chong-il."

Mrs. Yi said, "Kim Chong-suk was in poor health and had difficulty feeding Kim Chong-il, so I breast-fed Kim Chong-il from July 1942 until he stopped feeding with milk."

"I have been visited several times by the North Korean fact-finding teams that have received testimonies from me on the history of Kim Chong-il and Kim Chong-suk. North Korea has asked me several times recently to state that Kim Chong-il was born on Mt. Paektu, but I refused to do so. In writing a recollection to them about Kim Chong-suk last autumn, I made it clear that he was born in Khabarovsk."

As to the activities of women fighters in those days, Mrs. Yi said, "Kim Chong-suk held the rank of fighter and, along with nine other Korean women fighters including myself, received wireless training, belonging to the wireless communication unit of the traffic regiment."

So far, no definite studies have been made as to the activities of Kim Chong-suk in the 88 Independent Brigade, and people guessed that she may have worked in the kitchen.

Mrs. Yi said, "I met Kim Chong-il in November 1948 after the liberation, when I was invited to North Korea on the foundation of the North Korean Government. With Kim Chong-suk's death, however, I have not met him since.

Mrs. Yi, who is from South Pyongan Province, worked at the Secretariat of the National People's Congress Standing Committee after the founding of the Chinese Government. She resigned early in the 1970's and is residing in Beijing at present.

North Willing To Discuss Arms Reduction at Talks

SK0710130591 Seoul KBS-1 Television Network in Korean 1200 GMT 7 Oct 91

[Text] North Korean Foreign Minister Kim Yong-nam briefly stopped at Narita Airport, Japan, this afternoon on his way home after participating in the UN General Assembly session with Premier Yon Hyong-muk. There, he expressed willingness to discuss the arms reduction problems, including the problem of turning the Korean peninsula into a nuclear-free zone, at the North-South Korean prime ministers talks scheduled to be held in Pyongyang in late October.

North Worker in USSR Defects From Siberia

SK0810032791 Seoul KBS-1 Radio Network in Korean 0200 GMT 8 Oct 91

[Text] A North Korean truck driver who had worked at a logging camp in Siberia defected to our country and arrived at Kimpo Airport this morning. He has been identified as (Yi Chong-hui), 48, who has worked at the (Yelga) logging site about 700 km from Khabarovsk in the Soviet Union as a North Korean truck driver since 1986.

In a press conference at the airport this morning Yi said: It is like a dream to have defected to the ROK for freedom, after terminating the infernal life in Siberia.

Yi said that while living in Siberia as a truck driver he was able to learn not only about the developed situation in South Korea through newspapers published by Koreans residing in the Soviet Union, but also to watch the Seoul Olympics on television. This motivated him to escape Siberia to seek the kind of life a human being should lead.

Yi revealed that in the logging operation site he was forced to work 18 hours a day and that agents from the (?Public Security Ministry), who were deployed among logging workers in disguise, lynched and assaulted workers who neglected logging work.

Yi said that last August he escaped from the logging operation site after promising his supervisor a bribe in cash, obtained from selling fruit rich in Vitamin C. He said that he fled on foot and by train for a month and arrived at one of our European diplomatic missions on 3 October.

Kim Tae-chung Views Political Situation

SK2609131091 Seoul SINDONG-A in Korean Aug 91 pp 200-12

[Article by Kim Tae-chung: "Exclusive Special Contribution—Kim Tae-chung Speaks His Mind: 'Why Is It Only I Should Withdraw?'"]

[Text] Our recent defeat in the large-unit local council elections was quite unexpected. No matter how poorly we did, we were expecting to obtain at least 220 seats. We barely won 165 seats. The shock from this was enormous; we were close to total despair.

I exerted Herculean efforts for this election. Unable to receive even one penny of political contributions from businesses, I endured myriad hardships trying to raise capital for the election. In the process, our party even endured the outrageous slander of "nomination wrongdoings" from the ruling authorities.

More than anything else, I ran and ran around this country for 16 days working from early in the morning until midnight every day. Although to differing degrees, I was greeted with cheerful encouragement and support everywhere I went, and even received tearful, fervent support in some areas. How on earth, in spite of all this support, could the elections have turned out like this? Who could have possibly expected such an outcome? It was really a great shock.

As you, the citizens, know, the New Democratic Party [NDP] risked the fortune of the party for the sake of local autonomous government, risking our lives and eventually securing the elections. We fought within the assembly, obtained 3 million signatures, had a meeting in Poramae Park where 1 million citizens gathered, and submitted our resignations from the assembly. When all that failed, we barely attained a local autonomous government through a death-defying 13-day hunger strike. In other words, losing in the election made us feel as though our precious son, which was born after repeated labor pains, had been stolen by the same hooligans who had been hindering its birth.

We have looked at the various reasons for our defeat. Above all else, we were greatly inferior to the ruling party in organization, manpower, and money, having existed for too long as an opposition party. To make matters worse, an incident occurred in which three of our party's assemblymen left the party unexpectedly due to displeasure with the nomination process. This dealt a great blow to our party. It was exasperating. We had no one to blame for this incident, since it occurred within the party.

We felt as though external reasons exerted a greater influence in our defeat than internal reasons did, however. The effect of younger voters who, while supporting our party, did not come out to the voting booths was great. The abstention rate among 20- and 30- year olds was some 70 percent! When the absentee votes were counted in the early stages of vote tallying, young absentee voters in the military confirmed the fact that younger voters overwhelmingly supported our party. Our party members cheered loudly at the time, unaware of the tragedy we were about to face. If we were able to get only one-half more of the young voters to vote, then we would have well exceeded our basic goal of 220 seats.

The NDP Lost in Money

The greatest reason for our defeat was none other than the flood of money which the ruling party threw at the election. They expended enormous and vast sums of money even when compared to any past election. It would not be an exaggeration to say that the ruling party used money as wallpaper in the election. The law tacitly approved this, and was intent on helping it.

The university students' assault on Prime Minister Chong also dealt a great blow to us. Criticism of the No regime aside, the middle class and middle-aged citizens saw this incident and, with a concern for finding "stability" above all else, cast their votes for the ruling party.

In any case, luck is also needed in elections. I believe that our luck was really bad as well. How could an incident such as the Prime Minister Chong incident happen just before the election? How could the resignation from the party by three assemblymen happen to our party? It was just luck, I'm telling you. If, for instance, recent issues such as the substandard construction incident of the new city apartments or the murder of a civilian by a police officer had occurred during the election period, then the Democratic Liberal Party [DLP] would have been dealt a considerable blow.

Among all this unfortunate luck, I find encourangement in the fact that I need not be completely frustrated by all of this. That is because there are rays of hope to be found in these election results. Granted, we were defeated. However, we generally came in a close second place in the 174 electoral districts throughout the country. In the case of Seoul, we captured 21 of 132 seats. Of the remaining 111 seats, we came in second place in 98 of those. Even in Kyonggi Province, we came in second place in 14 districts. Most of those second-place finishers were young, intelligent candidates. However, they had no money.

One thing which we must note is that the votes cast by citizens for the DLP were not cast out of support for the DLP's rule up till now, nor did they come from expectations for the DLP's future policies. Far from that, the fact is that they stemmed from the power of the DLP's money as well as from a desire for stability.

If you look at any recent public opinion poll, 31 percent of the respondents stated that the reason for the DLP's overwhelming victory was a result of the citizens' desire for stability following the recent unstable political situation. This was the most common response. The next highest response was 20 percent, who said that the DLP victory was a result of their superior ability to mobilize funds for the election. Those respondents who responded that the results were because of trust in the DLP amounted to only 6.6 percent. Following the recent elections, there has been considerable reflection concerning the results of the election among the citizenry. A mind-set of restraining the ruling party is also sprouting up among the people. Subsequently, there are considerable rays of hope to be found. In the future, we face a series of elections beginning with National Assembly elections, followed by two local autonomy group head elections and the presidential election next year. Our party can ill afford not to concentrate on what countermeasures we will establish for these elections.

First and foremost, we must improve our party image so as to entice younger voters to actively vote for our party. Then we must let the middle class and middle-aged people know that the current stability they are enjoying is not a true stability but rather a pseudo-stability, amounting to no more than forced silence. Simultaneously, we must succeed in convincing these people that the only true stability is that which is achieved through the democratic reforms which our party is advocating.

Additionally, once we actually convince the common people of the various public welfare policies which we are advocating—that is, policies concerning prices, housing, transportation, environment, and law and order—then won't we be able to gain their support as well? The common masses, together with the conscientious middle classes will then form a basic stratum which supports our party.

Even If It Is Cloudy, the Sun Rises

There is one final important item. We in the dissident circle must now make clear our three principles of excluding violence, drawing a clear line between us and communists, and realizing a change of regimes through elections. We must also clarify our position on cooperating with forces who agree with these three principles. Therefore, I think that it is extremely important to clean up the misunderstanding among some people concerning our party.

We must continue to concentrate our efforts on such goals. Before we do that, however, we must systematically guarantee our security. This, I believe, boils down to an issue of election funds. We have always had to work hard during elections because of money. During the past year from official funds alone the No regime raised 70 billion won through the Central Election Commission's trust fund and even the National Assemblymen's support funds. Through a fusion of behind the scenes politics and economics, the No regime has also raised hundreds of billions of won, flooding the entire country with currency.

The opposition party, on the other hand, did not have a single penny. We raised a special party expense fund within the party as a means of self-preservation. Even because of this, we lost a great number of votes as we were unjustly accused of some nomination wrongdoings. The No regime was indeed discreetly calling the kettle black. Unable to solve the problem of money, there is no way to expect a fair game in an election struggle.

The current election law blocks to an extreme degree contact between parties and candidates, on one side, and eligible voters on the other. The voter greets election day with no knowledge of which candidate thinks what, and what type of people the candidates are. Thus, the voters are left with two alternatives: Abstain from voting, or receive money and vote. Candidates must be allowed to campaign freely, and money must be totally controlled in order for a fair election to come about. I was acutely aware of this fact during this last election.

I also want to appeal to our citizens. Although not everyone does this, many citizens cast their votes depending on money or regional sentiments. How can you hope for politics to go well when you do this? How can you abstain from voting and then rebuke politics? For politics to run well, the people must work at it as well.

I want to talk to our young people. It would be nice if you could understand that even if politics is not the best thing going, then it is the next best choice. Of course, it need not be said twice that it is us—those who drove you to abstain from voting—who must first reflect upon ourselves. However, even if our politics is staggering, have we not been gradually making progress one step at a time? Has not the threat of those tedious sweeping military coup d'etats disappeared? Has not local autonomous government been revived after 30 years? Additionally, a constitutional court has been established, and epoch-making advances such as the equal employment law for men and women and revision of the family law are being realized. No matter how cloudy it may be, the sun is rising to its zenith.

The Current Stability Is Pseudo-Stability

When we look at the performance of the ruling party since their overwhelming victory in the large-unit local council elections, we see them ignoring the opposition party, aloofly prancing around like prima donnas in elation over their victory. However, is the ruling party really in such an advantageous position, where they can afford to be so elated? One thing which emerged in the recent large-unit local council elections more than anything else is that the ruling party's victory was not the result of positive support from the people, as I pointed out above. At first glance, today's political situation appears stable. However, can we call it a true stability? Is it not really a grave-like silence resulting from oppression and coercion?

How in the world can anyone call a country which has some 1,500 political prisoners in prison a democratic state? Is this what a stable country looks like? There is no freedom for either the labor or the farmers' movements. There is no freedom to research unification. Is this true stability? Beginning with the National Security Law, the system of evil laws unprecedented elsewhere in the world exists as it always has. Can we call such a system a stable system? There is absolutely no way that we can.

The fact that the ruling party has been able to obtain this stability, even if a pseudo-security resulting from a national silence, can be seen in one way as a side benefit of the improper struggle launched by some students and dissident circle members. These people have constantly ignored the warnings I have repeatedly emphasized since 1988. I have tried to convince them: "You should not use violence. You should not under any circumstances advocate pro-communist views. Even if you criticize the United States, it is not proper to make them our enemy." This has been the so-called theory of three nons: nonviolence, non-pro-communist, and non- anti-American.

A great number of students and dissidents concurred with my assertions. However, a few fervently criticized me. The results of their extreme, wholehearted struggle is that they have been isolated from popular sentiment. The No regime reaped the side benefits of this: The far left helped the far right. Many citizens saw these extremists' attitudes and misinterpreted them to be the trend of all those opposing the government, developing a feeling of disapproval toward all students and dissidents. There were no small number of incidents when many people misinterpreted these peoples' actions as being supported by our party from behind the scenes. The people began to feel, "First and foremost, we need stability." I believe that this may have been one of the largest reasons behind the DLP's victory in the recent election.

As I mentioned already, however, this stability is a dormant stability like that of an inactive volcano. It amounts to no more than a grave-like silence. It is certainly not a stability in which there is support for the No regime based on their past political performance or on expectations for the future.

We Must Become the West Germany of Asia

The five great issues concerning the people's livelihood—prices, transportation, environment, housing, and law and order—have become exacerbated beyond levels previously seen. While luxury apartments are being built which go for 2 billion won each, a young college graduate will need some 32 years in order to buy his own 25-pyong apartment. Such a serious gap between rich and poor dominates this country. That is not all. During the past two years, workers' wages increased an average of 2.3 million won, while rent increased some

4.5 million won. Workers' livelihoods are being threatened. Farm villages are on the verge of bankruptcy. In a word, they are regions of despair. Small and medium businesses languish under a political system which discriminates in favor of large businesses, always becoming sacrificial lambs for the large enterprises. We all know that the common people harbor rage and resentment deeply imbedded in their hearts over the outrageous disparity between rich and poor.

The dissatisfaction over disparities—those between urban and rural areas, between large business and small and medium business, between regions, and between wealthy and poor—is compressed to the point that it is now shaking the very foundation of this country. When one looks with inquiring eyes and hears with open ears, who can repress their feelings of fear?

How can there be national harmony, and how can we work toward unification and compete with a Communist Party, under the current conditions? Because of this, we are in a chronic state of apprehension over our stability. Are we not trembling amidst a total collapse of law and order right now?

In order to resolve such problems, I believe we need to become the West Germany of Asia. We must work, as West Germany did, toward developing in the hearts of our people a feeling of love and trust in our country by guaranteeing their freedom, justice, and human dignity. We must have a polity which is not vulnerable to those who call for a Communist Party.

Our politics today continues to be security-oriented rule based on money, fabrication in the media, agitation of regional sentiment, and intelligence operations in politics. I constantly worry with a fearful heart that if we do not work quickly to remedy this unstable situation in politics, then the future of this country will be extremely threatening.

On the other hand, I maintain a firm confidence in our nation. Even when the Chinese mainland, Inner Mongolia, and the entirety of Manchuria were Sinicized by the Han nation of China, our nation maintained its independence. Even during the 36 years of Japanese colonial rule, we maintained a government in exile and Independence Army until the day of liberation, displaying a formidable staying power in our struggle rarely seen elsewhere in the world.

I have a similar confidence in the citizens of South Korea as well. In spite of nearly half a century of authoritarian and dictatorial rule under Syngman Rhee, Pak Chong-hui, Chon Tu-hwan, and No Tae-u, our people have, in the end, defeated this line of successive regimes. Even if temporarily submitting to their oppressive rule, the people have invariably triumphed in the end. Though we have lost some battles, we have won the war.

There is not the least bit of wavering in my firm belief that our people will, in the end, succeed in the three major tasks facing us: establishing a free country, a righteous country, and a peaceful, unified fatherland.

Feeling Despair at Regional Sentiment

Currently, the entire country has become the land of TK [Taegu-Kyongbuk]. We have come to the point that, if you are not from North Kyongsang Province and Taegu—a single area within the Republic of Korea—or if you are not a graduate of a certain high school, then you are not able to exercise power in this country. This group has become like the Silla Dynasty's Sacred Bone Caste. At work, it does not matter if you are senior or subordinate, if you are qualified or unqualified; instead, the question is whether or not you are TK. Many people lament this situation. Among all government officials and, worse yet, even within the military and police force, only the TK people get first priority for promotion while being able to yield their power. Industry is no exception either. Under such circumstances, how can harmony and development be expected? I believe that the "TK national ruin theory" is one of the most realistic expressions of our reality today.

Pak Chong-hui was the person who began regional sentiment. This crime of his will never be forgiven in history. However, in reality the degree of discrimination became worst during the No regime. Under both the Pak Chong-hui and Chon Tu-hwan regimes, even Honam people served as prime ministers, becoming chairmen of the National Assembly as well. Now there is discrimination that no one could even dream of. It need not be said twice that this discrimination goes beyond the employment of talented individuals: there is discrimination even regarding regional development.

This has led to today's reality in which the people of Honam have been given a sense of estrangement and heterogeneity, in which confrontational sentiments are fostered. Going one step further, a type of human discrimination is being fostered which treats Honam citizens as though they were a different race of people. Even within Honam itself there is a movement for "Northern Cholla to Stand Alone" which divides North and South Cholla Provinces, a most lamentable, sinful act. Although to differing degrees, similar discrimination towards other regions which are not TK is spreading widely.

Regional discrimination, which was began by those in power for their own convenience, is currently entrapped in a maelstrom of regional sentiment. Now, people not only in the Yong-honam region but in each region throughout the country are collectively egotistical and perhaps even collectively hypnotized. It is indeed a deeply regretful situation, and a concern of this country's future. If we continue like this, what will we eventually end up like? We cannot even dream of national unity, and should North and South come together as one even tomorrow, what would happen to us in the face of communism? What will we be able to do, being broken apart to pieces? Has the No regime ever contemplated what the results will be for anticommunism and security when, for the sake of protecting their vested rights and maintaining their hold on power, they continue to aggravate the schisms and animosity among the citizens?

The only way to solve this problem is to eliminate discrimination. Although I mentioned this at prayer meetings designed to dissolve regional sentiment held this year by the religious communities in both Taegu and Kwangju, I believe that in order to eliminate regional sentiment, we must first eliminate discrimination, the basic cause of this sentiment. Just as racial discrimination had to be eliminated in order to eliminate racial troubles in the United States, we must do the same. This includes, of course, discrimination in hiring and regional development, as well as human discrimination. Only when these disappear will the way open up to solve the problem of regional sentiment for the first time.

In spite of persecution under military regimes for the past 30 years, I have overcome numerous confrontations with death, prison life, house arrest, and life in exile while struggling for "all of our citizens." Not once did I fight ONLY for the people of Honam. When I have run into the wall of regional sentiment in various places throughout the country, often I have felt sadness and lamentation, as well as a feeling of hopelessness and total disgust.

Just what in the world is the religious community, who says we are all children of God or that all living creatures are children of Buddha, doing? What are the scholars, who treat truth as life, doing? Why is the press, who champion themselves as being the teachers of society, keeping silent? Must we simply sit by and watch those people who strive to maintain the regime by fostering localism throughout the country? This is certainly something which I cannot understand. It is my earnest desire to cry out with anger that the leadership class, which clamors about national unity or unification of the country while breaking the people apart to pieces, must rightfully face the judgement of the people and history.

Is Merger Necessarily the Only Suitable Way?

Every time debate over my advance or retreat from the political arena appears in the newspaper, there is no way for me to restrain my feelings of shame and disgrace. Why must I listen to such talk? Individuals who, having been in the opposition party, suddenly in one morning transformed themselves into the ruling party, are able to strut about openly and become front page headliners. Why should I, standing alone as the only person guarding the opposition party's path, have to listen to this? I am often overwhelmed by such feelings.

My outlook on life certainly does not depend on what I become: that is, becoming president is not my first priority. To me, what is important in life is not what you become, but rather how you live. Yi Wan-yong succeeded in becoming the greatest he could become. However, since he failed in HOW he lived, he became a traitor for the Mongolians. Dr. An Chung-kun failed as far as WHAT he became, but having succeeded in HOW he lived became an eternal patriot of the nation. Even when I received the death sentence in 1980, I was determined not to succumb until the bitter end, constantly focusing on HOW I was living.

Recently a few people have again made an issue of my withdrawal from politics in connection with an opposition party merger. I am determined this time not to repeat the same mistake I made in 1988. I am taking this opportunity right now to make this clear. If there is anyone out there with a proposal which is acceptable both to the people and to the party, I am prepared to give them my support at any time. I now feel deep regret that, if only I had not yield in the last presidential election, regardless of my reasons at that time.

These feelings led to my declaring in 1990 in my August 15th Proclamation that I would relinquish the position of party president within a unified opposition party to Yi Ki-taek. My decision, however, was rewarded with repeated ridicule and rejection, and a merger of the opposition was not realized. There was yet another example of this. In 1988, I stepped down from the party president's position for the sake of an opposition merger. However, due to the artifice of the Reunification Democratic Party [RDP], not only did I step down from the party president's position, but a merger was not realized and the only result was that our party suffered enormous damage. If I had not resigned my party president seat at the time of the 1988 general election, and had there not been a mass exodus from the party by the party leadership, there is absolutely no mistaking that we would have won a victory which secured over 100 assembly seats as opposed to our 71 seats at the time. I cannot repeat the bitter experience of 1988.

Many people believe that if only the opposition could unify, then all would be well. They say that if the opposition had unified in 1987, then we would have won in the presidential election. Of course we should have unified, and having unified, even if we had lost, the national anger towards the No regime would have been concentrated and clearly the power of the opposition party would have been strengthened.

However, it does not necessarily follow that if the opposition unifies, we will win in a presidential election. On three separate occasions in 1963, 1967, and 1971, the opposition fielded a single candidate. Even still, we were unable to win. Whether looking at candidate Yun Po-son's experience in 1963 or my experience in 1971, we both won the elections. We both failed, however, being unable to prevent unfair elections.

A Successor Must Develop on His Own

Although discord among the opposition party was a cause of our inability to win in the 1987 election, a bigger reason was our inability to realize the nationwide cabinet which I had been advocating. Had the opposition been able to participate in the government following the establishment of a nationwide cabinet, then we would have been able to prevent election injustices. The Chon Tu-hwan regime was in a position at that time where it could ill afford not to accept a nationwide cabinet proposal. Had Kim Yong-sam, as he agreed to do in the very beginning, stuck to our demands for a nationwide cabinet proposal and not capitulated, we could have advocated a boycott of the election as long as the government did not allow for a nationwide cabinet. Had this happened, there was no way that candidate No Tae-u, together with Kim Chong-pil, could have held the election alone. There is no margin for doubt that if fair elections had been held under a nationwide cabinet, either Kim Yong-sam or Kim Tae-chung would have been elected and the other would have come in second place.

Although I am repeating myself, an opposition merger has absolute popularity among the people in spite of the analysis given above. There must be a merger in order that the confidence of the people may be gained and the opposition can gain strength as well. Subsequently, I am determined to dedicate all my efforts to assuredly succeed in both the impending National Assembly and presidential elections by taking this opportunity to, without fail, not only realize a merger of the opposition party, but also to form a "grand democratic coalition" in which all democratic forces can participate.

A unified opposition party would not merely be a simple merger of existing opposition parties. A fresh and reformist citizens' party formed through the broad-based participation of democratic personalities from academia, culture, youth, women, workers, farmers, and intellectuals must be established.

The question of a successor has been emerging recently. I have focused on three or four individuals within the party, given them positions both within the assembly as well as within the party, and worked hard at encouraging them to develop. However, unlike a prime minister who is elected by national assemblymen under a parliamentary system, it is my earnest belief based on my experience that presidential material who will undergo the judgment of popular opinion across the whole citizenry cannot be artificially developed.

Given a little push, a successor worthy of becoming president must develop on his own. In my case, far from giving me a chance in 1970, then-president of the New Democratic Party Yu Chin-san constantly blocked my growth. Although he opposed my running as a presidential candidate and nominated another person, I penetrated that obstacle and won the candidacy for president.

The regretful thing is, however, aspirants for the presidency today lack both courage and vigor. More than anything else, the tendency is to avoid exertion, to loathe hardships, and work only towards gaining results. This may well reflect a softening in accordance with our changing environment, similar to trends seen among our youth. In any case, I am planning on pushing and supporting to the utmost of my ability a handful of talented individuals who are under consideration both within and outside of the party. Who will win the highest honor will depend on his ability and fortune. Although it is my belief that a president must have divine luck, I also wonder whether a presidential candidate doesn't need a degree of earthly luck as well.

Lonely Is the Prophet

Finally, simultaneous entry into the United Nations will be realized. This is something which I first proposed at the foreign correspondents' press club nine days after the July 4th Joint Proclamation 19 years ago. This was the first proposal for joint entry into the United Nations by North and South Korea made either domestically or overseas. At the time, I received strong opposition from ruling and opposition politicians alike and was even criticized. Now, however, that proposal has become reality.

Since before the 1971 presidential election, I have advocated a four-superpower guarantee of peace on the Korean peninsula; across- the-board exchanges between North and South; trade with the communist bloc; the three principles of unification—peaceful coexistence, peaceful exchange, and peaceful unification; simultaneous entry into the United Nations; and the republic union. Even today's National Unification Board [NUB] was an agency whose establishment I advocated in the 1960's during a speech of the party executive chairman when I was chairman of the opposition party's policy committee. At the time, I called for the establishment of an agency responsible for unification headed by the deputy prime minister. The government and ruling party accepted this proposal and launched the NUB.

In any case, I have been repeatedly slandered and persecuted because of this unification policy. I was forced to wander around in the swamps of misunderstanding, being labeled as being pro-communist. Now, on the other hand, all of these ideas have become national common sense, and have even been accepted by the No regime. There are even some points which go beyond what I have called for. For example, the trade with communist countries which I had called for has progressed to diplomatic relations.

The three-stage unification proposal put forth by the No regime's prime minister at the National Assembly was highly regarded as an outstanding proposal. Concerning the republic union, the minister of the NUB has stated that it is different from North Korea's Koryo confederation proposal, and that it occupies a major position in our government's unification plans.

In spite of the fact that all of these plans have been acknowledged, far from compensation, significant misunderstanding regarding me remains as it always has. It cannot but be both sorrowful and frustrating. They say that a prophet is lonely. Even though I am not a prophet, it seems as though I am bearing the burden of loneliness and loneliness alone.

Even when I was detained in 1980 by the martial law troops and received the death sentence for being pro-communist, I did not give in on my calls for unification. I love my nation, and my small efforts—based upon the belief that we, the older generation, must bear the cross in order to give a ray of hope to our young—gave consolation to my frustrated heart. Those efforts now are slowly beginning to show their fruits.

"Restoration of Democracy First, Unification Afterwards"

During the last visit to Seoul of North Korean Premier Yon Hyong-muk, I strongly urged him to accept simultaneous admission into the United Nations during a dinner held for him. I urged him, "It would be good if, as North Korea has stated, Korea could enter the United Nations as a single member nation; however, this is impossible considering several various circumstances. Subsequently, the time has come for North Korea now to consider simultaneous entry. The claim that simultaneous entry into the United Nations would lead to permanent division of the country does not stand to reason. Whether you look at East and West Germany or North and South Yemen, this has not been the case. The Soviet Union has entered the United Nations as three countries: the Soviet Republic, the Ukraine, and Belorussia. They have not become divided into three countries, have they?"

When our representative attended the IPU [Interparliamentary Union] this spring in Pyongyang, he strongly recommended to the North Korean authorities that they accept this proposal, passing on my very intentions. I have also sent off personnel letters to the UN secretary general as well as the chief executives of the five permanent members of the UN Security Council—the United States, Soviet Union, Japan, France, and Great Britain—urging them to call for the simultaneous entry of North and South Korea into the United Nations. As of this time, I have received responses expressing enthusiastic approval from the UN secretary general, the president of the Soviet Union, and the prime minister of Great Britain.

During a meeting in May 1990 at the Carnegie Peace Foundation to which five North Korean scholars were invited, U.S. officials there—who included a former U.N. Command commander and also a former U.S. ambassador to Korea—urged North Korea to accept my proposal for a republic union. The North Koreans said that they would positively consider this plan. I am also hearing directly from a researcher at the foundation who is an expert on Korean affairs that the North Korean Foreign Ministry expressed a positive reaction to a similar proposal during his visit to North Korea.

Even though I have such positive thoughts concerning unification, I certainly am not trapped in an illusion. I have two solid principles concerning unification. The first one is "restoration of democracy first, unification afterwards." Before anything else, democracy must firmly take root in South Korea so that we can have a strong democratic system like that of West Germany. Only by doing so can we emphasize our superiority over North Korea, show no weaknesses concerning North Korea, and deal with them from a position of control. Only if we are able to show our North Korean compatriots the attractiveness of this system will we be able to pursue unification with confidence.

Once Bitten, Twice Shy

Since the antidemocratic regime in South Korea is only geared towards protecting the vested rights of a minority, they do not really desire unification. Furthermore, lacking the support of the citizenry, they are unable to pursue unification with any confidence. This has been the reality shown to us by successive regimes since Pak. Subsequently, these regimes hate forces who honestly desire unification, and slander and oppress them under a myriad of pretenses.

We must realize that unification will only be possible when there is a government in place which possesses both a national consciousness and competency when it comes to unification. If not, far from unification, free discourse and contact between North and South will not be possible. I cannot understand why there are so many people among our students and dissident figures who cannot see this most simple and lucid fact.

My second point is that quick unification is not the only business at hand. We must steadily pursue a "phased unification plan" which is not rash. Even in a country like Germany, where national homogeneity was adequately restored through over 40 years of exchanges of newspapers, broadcasts, and people, there are various negative side effects emerging now as a result of their rushed unification. Differences in ways of thinking and economic systems are particularly emerging as two of the largest problems Germany faces. Looking at the status of East and West Germany, who have maintained exchanges for the past 40 years, we must realize that we have even bigger problems. In Germany, the farsightedness of "Willy Brandt," who said that unification must be steadily pursued over a two- or three-year time period, is more highly regarded than Prime Minister "Kohl," who rushed unification. Because of this, support for the Social Democratic Party grows daily.

Recently, President No Tae-u has suddenly begun to insist repeatedly that unification is not far off. I cannot understand on what basis he is making such claims. We are currently in a cease-fire state with North Korea, lacking both a peace agreement and a nonaggression proclamation. There has been no type of agreement or realization of either peaceful coexistence or peaceful exchange. Our unification policy is even more a blank sheet of paper. Far from growing the grain, we have not even planted the seed: Just how are we supposed to reap a harvest? For some reason, I have a strange premonition about this.

Three months before the October 1972 Yushin Proclamation, I insisted that it was possible that President Pak would use unification as a pretext for a scheme to ensure his permanent grab on power. Unfortunately, my guess proved correct. Could the recent, sudden claims of impending unification made by President No be laying the groundwork for something similar to what Pak did? With a feeling of once bitten, twice shy, my eyes are stinging just looking at the kettle lid.

I Will Stay on My Path

It is exactly my "three principles and three-stage phased unification plan" which I believe to be our surest and most possible path to realizing unification. The "three principles" are peaceful coexistence, peaceful exchange, and peaceful unification. The "three-stage unification policy" begins with a first stage of one union, two independent governments. In other words, it is a republic in which the two regimes of North and South Korea continue to enjoy their authority in foreign relations, national defense, and domestic government, with both sides sending the same number of representatives to form a united body. This united agency would deal only with issues related to the realization of the three principles of peaceful coexistence, peaceful exchange, and peaceful unification between the two countries. The second stage would be one federation and two regional autonomous governments. This would be similar to the federal system like the United States has. At this stage, consideration of the Koryo Federation System which North Korea has discussed would be possible. The third and final stage would be complete unification with one state and one government.

During this process, all decisions would be made only with the complete concurrence of both North and South. There can be no decision by majority. Thus, neither side will have any misgivings. Both sides can begin the first stage without any difficulties or burdens. Then the speed at which we can go on to the second and third stages will be based on both sides' concurrence. No matter how you think about it, my unification plan is completely safe, certain, and capable of succeeding. Occasionally, I am conceited and proud that I can contribute to our nation with such an original idea for unification.

The republic union, the first stage unification plan, must be selected through a process of debate over differing unification plans at a pan-national unification agency composed of joint cooperation between government and civilians. It must be firmly decided through a vote of the people, I believe.

I feel that change is not far off in North Korea also. With Eastern Europe and the Soviet Union changing, there is no way for only North Korea, China, and Vietnam to ignore the flow of history. It is simply a matter of time. I have ample confidence that we can realize the first stage of unification within this century if only a true democratic government would be realized.

Let me repeat myself one more time. For the last 30 years I have thought of, realized, and devoted myself toward the unification of our nation in spite of persecution and death threats. In this manner, I feel that my life has been worth living. What I earnestly desire is that all of my efforts will lead to great blessings for our people, whom I value more than my own life, especially the young people whom I love. In the future, I will continue to walk along the path which I have been following until now as long as I live, loving my country and deeply wishing for the unification of our fatherland.

Coastal Site Selected for Nuclear Waste Disposal

SK0810042691 Seoul THE KOREA ECONOMIC WEEKLY in English 7 Oct 91 p 7

[Text] The Science-Technology Ministry plans to secure a coastal site covering 1.5 million pyong (one pyong equals 3.3 square meters) for nuclear waste disposal treatment.

The plan was made known at a gubernatorial meeting on Sept. 28.

At the meeting, the provincial governments were asked to cooperate with the ministry's plan on a voluntary basis, sources close to the meeting said.

According to the plan, 700.6 billion won ($946 million) will be poured into the establishment of a nuclear waste disposal site through the year 2001, and 7,500 researchers and technicians will be assigned to work at the site.

The proposed site will house a low-degree waste disposal treatment plant, intermediate storage facilities for used nuclear fuels, research and development (R&D) facilities and other establishments for inspection and management of safe environmental conditions, the sources said.

In an effort to appease complaints from nearby residents, the plan also calls for launching self-sufficiency projects such as construction of a tourist attraction site, ranches, and seaside resorts, along with a general hospital, the sources added.

Report on Five-Year Economic Plan Presented

SK0510033791 Seoul YONHAP in English 0250 GMT 5 Oct 91

[Text] Seoul, Oct. 5 (YONHAP)—The government will make it obligatory under the Seventh Five-Year Economic Development Plan (1992-1996) for conglomerates to report the details of stock transactions among their affiliates when they file their corporate tax forms to prevent concentration of economic power among business groups.

The government will reduce reciprocal guarantee of payment among affiliates by prohibiting new payment guarantees and banning circular and cross stock ownership to cut the capital flow among them, Deputy Prime Minister Choe Gak-kyu said in a report to president No Tae-u on Friday.

The government will encourage big businesses to reduce the equity held by their owners, executives and their family members to disperse it and will increase inheritance and gift taxes to prevent "excessive" inheritance of stocks by the children of the owners, choi said.

Intensive probes are going on into possible tax evasion by Hyundai and other conglomerates in the course of transferring shares to relatives of their owners.

Owners and their relatives will be induced to sell off their holdings, which average 47 percent, said Choe, who is also economic planning minister.

A merger-and-acquisition system will be developed to close enterprises that fail to adapt to economic changes and lose competitiveness as a result of high wage increases. To foster industrial manpower, the government will seek to liberalize enrollment quotas for private engineering colleges and allow state-run universities to draw up their own budgets.

Choe said the Seventh Five-Year Plan has three basic goals—enhancement of industrial competitiveness, expansion of social equality and balanced development, and laying the foundation for opening, internationalization and unification of the nation.

During the plan period, the government will build 500,000 homes a year to prevent real estate speculation, especially apartments of 18 pyong (60 square meters) or less.

The government will strictly enforce the fair transaction law to prevent the illicit inside transactions by business groups and mutual investment among more than three companies in the same group.

To expedite the development of industrial technology and the information industry, the government's technology-drive policy will raise the research and development budget from 2 percent of the gross national product to 3-4 percent by 1996.

Participation by university and college researchers in the government's technology development projects, improving the investment environment for foreigners and expanding joint technology development projects with advanced countries, are also included.

The government also will build a network of information on major industrial activities and support the development of the software industry.

To improve the structure of farming and fishing towns, the government will spend 4.2 trillion won over the next 10 years in preparing for settlement of the Uruguay Round trade negotiations.

To prepare for opening and internationalization of the economy, the government will liberalize interest rates and make its monetary supply policy one of indirect control such as open market operation, rediscount by the Bank of Korea and step-by-step promotion of capital market liberalization.

Korea will apply to join the Organization for Economic Cooperation and Development (OECD). It meets 34 of the 54 requirements established by the OECD for free international capital transaction.

It plans to gradually ease regulations on capital transactions after opening the capital market in 1992 to join the OECD.

The government will expand investment in infrastructure facilities, boosting it from 3.7 percent of GNP in 1990 to 5 percent in 1996.

It will expand exchange and cooperation between South and North Korea on the principle of reciprocity and mutual benefits and it will work out measures for joint South-North Korean advancement in the Northeast Asian Economic Region.

Ministry Reports Trade Deficit With EC Nations

SK0810083291 Seoul YONHAP in English 0607 GMT 8 Oct 91

[Text] Seoul, Oct. 8 (YONHAP)—South Korea had a trade deficit of 140 million U.S. dollars with the European Community in January-August, the Trade and Industry Ministry said Tuesday.

Exports to EC countries were counted at 6.44 billion dollars, up 21.9 percent from the same eight-month period last year, and imports at 6.58 billion dollars, up 20.5 percent.

Korea posted a trade surplus of 455 million dollars with EC nations last year.

Italy had the biggest surplus at 425 million dollars, followed by Germany with 279 million dollars and France with 273 million dollars.

Imports of Controlled Strategic Commodities Rise

SK0710150191 Seoul YONHAP in English 0851 GMT 7 Oct 91

[Text] Seoul, Oct. 7 (YONHAP)—The South Korean Government issued 472 import certificates for 1.44 billion U.S. dollars of "strategic" commodities in January-September, compared with 54 certificates and 5 million dollars in July-December last year, the Trade and Industry Ministry said Monday.

Strategic commodities cannot be shipped to communist nations under the regulations of the Coordinating Committee for Multilateral Export Controls (COCOM).

Ministry officials attributed the surge in import certificates to U.S. export regulations enacted in March that require exporters to obtain official import certificates issued by the governments of importing countries.

U.S. products accounted for almost 90 percent of the total imports involved, they said.

Imports of computers also contributed to the increase.

Computers accounted for 28 percent, followed by gauge machinery (16 percent), communications equipment (11 percent) and precision machinery (10 percent), they said.

Rice Harvest To Drop by 3.8 Percent

SK0510014891 Seoul YONHAP in English 0104 GMT 5 Oct 91

[Text] Seoul, Oct. 5 (YONHAP)—South Korea's rice harvest will drop to 5.38 million tons (37.4 million sok) this year, down 3.8 percent from last year, the Agriculture, Fisheries and Forestry Ministry forecast Saturday.

This would be the smallest harvest since 1983, when it was 54 million tons, but still the 11th bumper crop in a row, a ministry official said.

He blamed the drop on a move away from tongil rice, a hybrid with high productivity but poor taste. Tongil variety accounts for 4.8 percent of the total, down from 12.8 percent last year.

The figures are subject to weather conditions during harvest season, which is generally the two weeks from mid-October.

* Irregular Activities by Foreign Banks in Korea

912C0293A Seoul CHUGAN MAEKYONG in Korean 24 Jul 91 pp 27-32

[Article by reporter Yi Che-kyong: "Facts About Foreign Banks in Korea"]

[Text] Our people's eyes sting when they look at the foreign banks in our country. The image that these banks present to us is precisely that of a "money worm."

Not a Safe Haven for Funds

In reality, we cannot help looking at them through colored glasses as they stop at nothing to make money in this country. For larger profits, they unhesitatingly lend to pleasure business establishments. Speaking of their business strategy, they have had no interest from the very beginning in what we have been pushing for as a nation—e.g., the fostering of small businesses or the revitalization of manufacturing industries. The only thing they are interested in is making money, and for that they stop at nothing.

While Korean banks under government control have not even been allowed to freely determine their interest rates on deposits, foreign banks in fact have taken full advantage of the interest rate liberalization measure.

It is true that in some aspects they brought a fresh shock wave to indigenous financial institutions. The bold lending and active selling in particular are the things our banks should learn from them and in these areas they effectively ushered in a new era in our financial communities.

Nevertheless, it is a fact that foreign banks, taking advantage of the financial difficulty of indigenous companies, have resorted to all kinds of clever schemes for greater interest revenue, causing confusion in financial markets.

Among them are such things as loans at a forward exchange rate, irregular foreign currency deposits, and demands for excess interests on loans. They also had a number of disputes with labor.

And then came the BCCI [Bank of Credit and Commerce International] scandal, shattering the Korean people's set notion that foreign banks are a safe haven for funds.

The well-known, multinational BCCI was ordered to shut down its operations—and virtually sentenced to death—20 years after it opened for business.

The situation caused by the financial straits involving the BCCI head office, not by any misdeed of its Seoul branch, has plunged financial institutions, industries and labor into a virtual state of ultra-emergency.

Statistics indicate that Korean trading houses with L/C arrangements with BCCI alone suffered more than $10 million in damage. Although yet to be verified, it is a fact that Korean banks with foreign exchange transactions with BCCI have also suffered considerable damage.

In the final analysis, BCCI's shut-down is perhaps the "price for the crime" it had committed, profiteering not by normal means but through irregular business activities in such countries as the United States and England.

If the 70 foreign bank branches currently operating in Korea continue to pursue only their selfish interests and unscrupulously engage in acts disturbing the nation's economic order, there will be no guarantee against their becoming a second BCCI.

Here is a study examining their business activities and the labor-management problems that became controversial in our country in the wake of the BCCI scandal.

Irregular Business Activities

The Office of Bank Supervision and Examination [OBSE] discovered that foreign bank branches had made huge profits from interbank CD transactions up until June this year.

The OBSE had responded favorably to the successive demands for easing the CD issue limit by increasing the ceiling for foreign banks from 150 percent of their net worth to 175 percent, or up to 12.5 billion won, effective 1 July. In comparison with indigenous banks whose CD issue limit is 50 percent of their net worth, the measure in fact gave foreign banks a significant boost.

Still unsatisfied, foreign banks kept issuing CD's as they pleased, taking advantage of a supervision loophole that interbank CD's were not included in the issuance limit. Even on interbank CD's, in order to suppress the issuance of short-term CD's, the regulations prohibit disposal of CD's of 90 days or less in trading markets.

Making illicit use of the rule that only CD's of less than 90 days can be sold at trading markets, foreign banks succeeded in making hundreds of millions of won in profits by issuing CD's of 90 days or more. Consequently, the OBSE had to come up with a regulatory clause including the issuance of CD's of 90 days or more in the CD issue limit, effective 1 July.

The OBSE thus moved to keep foreign banks from disturbing financial markets. However, they still use the artifice of borrowing—for fixed fees—CD issue limits from other uninterested foreign banks.

Interbank CD Transactions, CD Transaction Brokerage

In addition, foreign banks have lately been found acting as brokers in CD transactions to secure an inflow of funds. One has to hold the CD for a minimum of 90 days following its purchase. Needless to say, CD's are negotiable and can be sold at markets at any time after that period, with the possibility of realizing the originally anticipated earning rate.

Citibank and other foreign banks, taking advantage of this point, acted as CD brokers arranging a 90-day earning rate on CD's that have not yet met the 90-day holding requirement. For example, if one has funds to be spared for a month only, he could not choose a CD for investment in the past, but now he can do it even for a month for a high earning rate if he strikes a deal with a foreign bank. The foreign bank will arrange to have it transferred to another person or persons for the remainder of the 90-day period. Thus, a number of persons will come to share returns from the investment.

Up until last year, such foreign banks as Citibank and Security Pacific National Bank made huge profits through illegal foreign exchange transactions. The current Foreign Exchange Control Law bars transactions in foreign exchange between banks and individual companies except for settlement of trade accounts.

However, whenever Korean firms short of funds ask, foreign banks see it as a golden opportunity and willingly respond with foreign exchange loans.

At a time like this, foreign banks frequently use the artifice of "foreign exchange rake-off." For instance, a business seeking a 30-day 1 billion-won loan would sign a contract based on a forecast 30-day forward exchange rate with a foreign bank.

Once the contract is signed, all future decisions rest with the foreign bank side. Even when it is expected that the won value will definitely go up in a month, the foreign bank will arrange the contract to be signed on the basis of an estimated fall and the indigenous business has no alternative but to bear the injustice and accept it. Because of such exchange rate speculations and irregular foreign exchange transactions, the Kwangju Bank once suffered a loss of 34 billion won, the Samsung Group 20 billion won, and Tongyang Nylon Company 6 billion won.

Meanwhile, The Chase Manhattan Bank, Bank of America, and The First National Bank of Chicago last year made profits in exchange-rate margins by tying up with local companies and moving up customs clearance on import goods.

Needless to say, Korean banks will not readily make loans free of a rake-off or commission either; in foreign bank cases, however, they openly demand an agreed interest rate when making loans. In fact, banks can stay in business only by lending at higher rates than the rates they pay on deposits. That is why they try to realize higher loan rates by hook or by crook.

In the case of call loans or under-the-credit-line general fund transactions, financial institutions can unilaterally deduct interest at the time of making the loan. With general loans, however, the OBSE guidance is for them to collect interest at the time of maturity. Despite this official guidance, some foreign banks actually demand interest to be paid at the time of making the loans.

Abnormal business practices by foreign banks are in their height with loans they make.

Generally, redemption of the primary debt from a real estate purchase is one of the areas where bank lending is legally prohibited. However, to foreign banks preoccupied with earning high interests, the purpose of the loan makes no difference. As long as the applicant has solvency, they make loans unconditionally regardless of the ban on specified types of lending.

The Monetary Board directs that 25 percent of the total loans made by a financial institution be for small businesses. However, foreign banks would handle small-business loans in form only, making entries in general-account deposits and withdrawing them the next day.

Also, the OBSE limits loans to chaebol conglomerates to specified percentages but foreign banks resort to all sorts of artifices to get round the regulatory measure.

Labor-Management Disputes

Among the foreign banks having caused widespread uproars in our society for illegal dismissals and labor-management confrontation are Westpac Banking Corporation of Australia, Banque Paribas, and Barclays Bank. The Pak Hyon-ok beating case—which was broadcast in the MBC "Human Era" program—remains unresolved as Pak appealed the case after the first-trial judgment against her. She is still jobless.

The Westpac incident was, in the final analysis, caused by an attempt to tame the labor union. The workers' strike that began on 4 September 1990 continued into the next year. The dispute forced Westpac to start preparations for withdrawal on 9 January this year, threatening to close down its business in Korea.

The wearisome dispute was finally settled with Westpac cancelling its withdrawal plan, recognizing the union but retaining the right of personnel management.

Eight Banks Came but Had To Leave Right Away

Withdrawal of a bank branch may not be a big thing from a national economic or social point of view; however, it should be understood that as far as employees are concerned, it raises serious problems involving their right to live.

If the BCCI branch leaves Korea by order of the head office, that means unemployment for its innocent Korean employees. For this reason, serious consideration should be paid not only to the damage suffered by industrial and financial communities at the hands of BCCI but also to the future of BCCI Korean employees.

In our memory, besides Banque Paribas and Westpac Banking Corporation, the foreign bank policy of ignoring labor unions also involved Barclays Bank.

Choe Pyong-ho, then chairman of the London-based Barclays Bank Korea branch labor union, says that the labor-management dispute at Barclays was touched off not by a wage increase demand alone. A kind of racial discrimination and authoritarianism was behind it, he notes.

In the face of the dogged resistance by the union, Barclays came up with a fall-together tactic, threatening to close down the branch. The union saw it as a ruse to put the dispute to rest quickly and took countermeasures. And at last, under the OBSE arbitration the bank operations returned to normal 79 days after the dispute started.

Wage increase demands are indeed one of the causes of labor-management disputes but the short-sighted attitude of foreign banks in refusing to recognize their labor union is indirectly responsible. Meanwhile, interested parties insist that bank officials should also be condemned for their peddler-type business practice as seen in the fact that whenever a dispute breaks out, the first thing they do is to threaten their withdrawal from Korea.

To date, eight foreign banks have withdrawn from Korea soon after setting up their operations in our markets one way or another. They are: Marine Midland (United States), Crocker National (United States), Morgan (United States), Grindlays (United Kingdom), Rainier National (United States), Midland (United Kingdom), Continental Illinois (United States), and Wells Fargo (United States).

State of Business: Japanese Banks Expanding Fast

BCCI's humiliating shutdown was, after all, caused by the worsening of its business situation.

As for Korean banks, business firms and individual customers, they should all do away with the notion that all foreign banks are trustworthy with no exception. However gigantic a bank might be, it naturally faces the danger of perishing in a climate where it has no protection by the state like our banks have.

On this occasion, we should by all means examine the state of business involving foreign banks in our country.

To date, the number of foreign bank branches operating in this country is 70. Statistics indicate that their short-term net profits, which had been on the upswing since 1987, fell 7.5 percent in 1990 from the 1989 levels.

The reason foreign banks failed to make as much money last year as they did in 1989 was that the customer service involving such high-interest commodities as CD's pushed up their funding costs.

Among them, Japanese banks registered amazingly high figures in net profits. While the net profits of U.S., British and French banks were "in the red," those of Japanese banks increased by a whopping 54 percent.

Fuji Bank in particular jumped from 2.8 billion won in 1989 to $6.8 billion [currency units as published] last year, marking the highest gain in net profit among foreign banks.

Banks having registered 1 billion won or more in net profits included—besides Fuji Bank—Saitama (Japan), Daiwa (Japan), Tokai (Japan), Taiyo Kobe (Japan), Hong Kong & Shanghai, SEPAC (United States), Paribas, and Westpac.

Despite the more than 2 billion won wasted in the labor dispute, Westpac's net profit gained from 1.9 billion won in 1989 to 2.8 billion won in 1990. This fact alone is indicative of how easy it is for foreign banks to make money in Korean markets.

At a time the officially regulated Korean banks have relatively little room for maneuvering, foreign banks in fact are operating with advantages far beyond our reach in that they are taking full advantage of the 1988 interest rate liberalization measure and that they are not burdened with the official policy guidance.

Short-Term Net Profits of Foreign Banks in Korea
(in million won)

Bank Name	90 N/P	89 N/P	Opening in Korea	Nationality
Citibank, Seoul	13,072	14,419	September 1967	United States
Citibank, Pusan	1,706	1,400	December 1977	United States
Citibank, Yongdong	-162	-387	April 1988	United States
Citibank, Yitaewon	-274	-152	August 1988	United States
Citibank, Myongdong	-683	-216	September 1989	United States
Citibank, Taechi	-138	—	November 1990	United States
Citibank, Panghae	-68	—	December 1990	United States
Bank of America, Seoul	6,043	8,064	December 1967	United States
Bank of America, Pusan	557	475	December 1977	United States
Chase Manhattan, Seoul	3,748	14,988	July 1967	United States
Chase Manhattan, Pusan	1,181	522	July 1980	United States
First National Chicago	1,364	2,893	November 1976	United States
American Express, Seoul	3,850	5,491	May 1977	United States
American Express, Pusan	13	—	June 1990	United States
Chemical	1,150	1,1234	September 1978	United States
Manufacturers Hanover	5,608	5,100	December 1978	United States
Bankers Trust	5,578	10,723	December 1978	United States
First Interstate	2,728	3,414	February 1981	United States
California	1,351	1,307	November 1986	United States
First National Boston, Seoul	1,838	1,630	October 1982	United States
First National Boston, Pusan	363	167	January 1989	United States
Security Pacific National	5,290	3,890	October 1982	United States
New York, Seoul	3,807	3,258	July 1988	United States
New York, Pusan	373	-101	November 1989	United States
Hawaii	1,123	453	July 1989	United States
Standard Chartered, Seoul	2,689	3,377	February 1968	United Kingdom
Standard Chartered, Pusan	952	894	March 1984	United Kingdom
Lloyds	1,245	2,489	June 1977	United Kingdom
Barclays	172	919	September 1977	United Kingdom
Tokyo, Seoul	5,100	5,700	September 1967	Japan
Tokyo, Pusan	1,100	1,800	February 1982	Japan
Mitsubishi	1,800	2,700	October 1967	Japan
Fuji	2,800	6,800	January 1972	Japan
Dai-Ichi Kangyo	2,100	2,300	February 1972	Japan
Sumitomo	4,900	3,200	February 1982	Japan
Sanyo	1,900	2,300	August 1982	Japan
Tokai	1,600	2,700	August 1983	Japan
Mitsui Taiyo Kobe, Seoul	1,400	1,800	December 1985	Japan
Mitsui Taiyo Kobe, Chungang	-100	900	October 1988	Japan
Kyowa	300	900	October 1988	Japan
Saitama	-900	1,300	October 1988	Japan
Daiwa	-200	1,000	November 1988	Japan
Yamaguchi, Pusan	700	700	July 1986	Japan

Short-Term Net Profits of Foreign Banks in Korea (in million won) (Continued)

Bank Name	90 N/P	89 N/P	Opening in Korea	Nationality
Deutsche, Seoul	697	588	1978	Germany
Deutsche, Pusan	811	572	November 1983	Germany
Indosuez	633	3,706	August 1974	France
Nationale De Paris	3,328	3,367	December 1976	France
Paribas	4,984	3,903	November 1977	France
Credit Lyonnais, Seoul	3,316	3,073	July 1978	France
Credit Lyonnais, Pusan	238	75	March 1989	France
UBAF	2,153	2,423	July 1979	France
Societe Generale	807	932	January 1984	France
Algemene	270	400	March 1979	the Netherlands
National Bank of Pakistan	241	226	April 1985	Pakistan
Arab	286	81	May 1989	Jordan
BCCI	902	1,131	August 1977	Arab
International Bank of Singapore	250	494	March 1978	Singapore
Development Bank of Singapore	589	837	October 1981	Singapore
Daehwa	452	540	January 1985	Singapore
Indian Overseas	300	400	September 1977	India
Hong Kong Shanghai, Seoul	5,705	3,545	October 1984	Hong Kong
Hong Kong Shanghai, Pusan	499	603	February 1982	Hong Kong
Nova Scotia	903	747	March 1978	Canada
Montreal	1,124	1,192	November 1978	Canada
Royal Bank of Canada	135	443	December 1982	Canada
Canada National	201	176	July 1989	Canada
Westpac	2,800	1,696	March 1986	Australia
Australia New Zealand	2,592	1,873	January 1978	Australia
National Australia	140	—	October 1989	Australia

(Source: OBSE Supervision & Planning Bureau)

Major Irregularities by Foreign Bank Branches

1. Irregular loans for installment import payment: In cases of installment-payment import transactions, banks are authorized to extend payment guarantees to open credit but they are prohibited to make loans for account settlement. Foreign banks are committing irregularities in this area.

2. Irregular accounting of loans for deferred import payment: Loans for deferred import payment are required to be placed to the usance account. But they place them only to the account of foreign currency payment guarantees to evade the regulatory limit of foreign currency loan.

3. Offering credit by extending forward-exchange-rate transactions: When extending forward-rate transactions upon expiration, foreign banks—instead of collecting exchange-rate difference to be duly received—include it in the extended transaction as a condition for offering credit.

4. Unfair foreign currency sales: They sell foreign currency to companies for use in transactions officially not approved.

5. Irregular deposits in foreign currency making use of swap transactions: For the purpose of earning the exchange-rate difference from the won devaluation, foreign banks conclude swap contracts with companies, then making won loans to the companies and getting them to use the loans to purchase foreign currency later at the current exchange rate and deposit.

6. Irregular swap transactions to dodge the foreign currency legal reserve requirement: For banks to avoid the burden of legal reserve on foreign currency deposits (4.5 percent to 11.5 percent in the 8 March 1990 rates), and

for companies to evade the tax burden (12 percent) on deposit interests, they treat what are actually foreign currency deposits as swap transactions.

7. Window dressing of loan shares for groups of affiliated companies: If the loan share of a group of affiliated companies exceeds the specified level, they temporarily bring it down by an irregular method at the end of the month.

8. Collection of fees on won currency loans: They charge interest on won currency loans in excess of 11.5 percent, placing to the account of agreed-upon fees the 1.0-7.5 percent of excess interest thus collected.

9. Manipulation of forward exchange rates: Foreign banks manipulate forward exchange rates in an irregular manner when making loans to (or receiving deposits) from companies and signing won-foreign currency forward-rate purchase (or sale) contracts with them.

10. Inconsistencies in verifying documents: Although forward-rate transactions are legally confined to cases of actual demand, they fail to thoroughly verify customer documents supposedly certifying the fact of actual demand.

11. Demand for blank checks: When making loans, they illegally demand blank checks as collateral.

12. Window dressing of deficient loans for small businesses: To fill up deficiencies at the end of the month, they make nominal loans to small businesses, having them deposit the money in general accounts and then withdraw it the next day ostensibly to pay back the loan received at the end of the previous month.

13. Loans for activities in areas where lending is prohibited: Foreign banks extend loans to finance the primary debt redemption associated with the purchase of real estate, an area where lending is prohibited. Also, they take—as collateral—buildings more than half the total floor space of which is in use by businesses for which lending is prohibited.

14. Installment loans to third persons: To skirt regulations barring lending to specified businesses, foreign banks make divided loans to third persons.

15. Advance interests: Foreign banks take interests on loans in advance in defiance of official guidance against the practice.

(Source: OBSE Inspection Bureau Four)

Transfers of Foreign Bank Branches in Korea

—Marine Midland (United States): opened 7 April 1981, transferred 31 December 1985 for merger (with Hong Kong & Shanghai) due to change in the head office holdings.

—Crocker National (United States): opened 20 March 1981, transferred 28 February 1986 for merger (with Midland) due to change in the head office holdings.

—Morgan (United States): opened 20 June 1978, transferred 30 August 1986 to Westpac under the head office's new management strategy.

—Grindlays (United Kingdom): opened 9 January 1978, transferred 31 January 1987 for merger (with Australia & New Zealand) due to change in the head office holdings.

—Rainier National (United States): opened 11 January 1985, transferred 31 December 1987 for merger (with SEPAC) due to change in the head office holdings.

—Midland (United Kingdom): opened 1 March 1986, transferred 15 July 1988 for merger (with Hong Kong & Shanghai) due to change in the head office holdings.

—Continental Illinois (United States): opened 23 February 1978, transferred 30 July 1988 to Irving Trust Bank under the head office's new management strategy.

—Wells Fargo (United States): opened 14 August 1984, transferred 1 August 1989 to Bank of Hawaii under the head office's new management strategy.

(Source: OBSE Supervision & Planning Bureau)

* Daewoo Expands Overseas Branches

912C0296A Seoul HANGUK KYONGJE SINMUN in Korean 22 Jul 91 p 4

[Article by reporter Yi Hak-yong: "Daewoo Is Out To Make Another Leap To Become an 'All-Embracing International Enterprise'"]

[Text] Daewoo Corporation is seeking a way out in reinvigorated overseas joint ventures and transforming itself into an "all-embracing international enterprise." It has launched diverse investment activities ranging from energy development—e.g. uranium exploration in Canada and oil well development in Libya—to high-technology merchandising in the Soviet Union to joint ventures in Asian socialist countries such as China, Vietnam, Burma and Mongolia. In foreign trade, too, Daewoo is stepping up "target marketing" in earnest to create overseas customer demands by developing commodities respecting regional characteristics. This signals a shift from the simple export-import formula based on the conventional line in overseas transactions.

Daewoo Corporation's strength is that, of all the Korean enterprises, it maintains the broadest network of overseas branches. It has 84 branches in 64 countries in Asia, Africa, Europe and all other regions of the world. This year alone, Daewoo opened seven new branches including those in Khabarovsk, Hangzhou, Qingdao, Hanoi and Warsaw. Thus, it has completed its "plural branches system," operating two or more branches in major Northern countries which the company designates as "strategic regions," with the Soviet Union, China and Vietnam among them.

While the corporation is composed of four divisions—trade, construction, development, and popular motor vehicle (minicar)—the trade division accounts for approximately 80 percent of its total sales (on the 1990 basis). The four departments, comparable to "four families under the same roof," have their own chief directors respectively and operate independently organizationally. Nevertheless, since the Daewoo Group originally started out as a trading house and foreign trade is still one of its main businesses, the corporation maintains particularly high interest in that division.

So, Daewoo continues to devote all its energies this year to fostering the trade division. As Korea's export competitiveness continues to slide in world markets due to wage increases involving domestic manufacturing industries, rises in personnel expenses and the appreciation of the won currency, the corporation is out to make another leap and become a full-fledged all-embracing international enterprise that does not rely on exports alone.

For example, Daewoo recently decided to sign a joint venture pact with the Soviet Ioffe Physics Institute in Leningrad and simultaneously establish joint-venture businesses in Seoul and the Soviet Union. The decision reflects the strategy of merchandising basic high technologies, which the Soviets have not yet commercialized, through joint research with Soviet research staff and developing export commodities for world markets. Daewoo plans to start joint research companies in the second half of this year and spur development and merchandising of new high-technology materials, with technologies like the optoelectronic aluminum tension casting and the special surface treating.

Also, its decision on a tie-up with Yugoslavia's largest company, the Central Coop—envisaging approximately $100 million a year in exports and imports—is, one may say, a typical example of the "target marketing" being pursued by Daewoo. Its strategy here is to domestically develop, and export to Yugoslavia, commodities that suit Yugoslav market demands such as automobile parts and apparel, and to import chemical products, timber and other things from Yugoslavia. The corporation held a Korean trade fair—the first of its kind by a single country in Yugoslavia—in Belgrade in May this year, marking the first specific event under the program. Currently, it is planning to hold a Yugoslav commodity fair in Seoul in September.

At the same time, striving to make inroads into the potential African markets, Daewoo Corporation is taking the lead in generating fresh export orders for products of Daewoo Motor Company, one of its affiliates. Recently, its on-site agent, along with those for Italy's Fiat and France's Peugeot, obtained import licenses from the Algerian Government, opening the way for Daewoo to export 2,000 passenger cars this year. In order to set up a Northern Africa auto export base in Algeria, Daewoo plans to establish an on-site auto sales corporation next month. Daewoo also consolidated its auto export base in the central African country of Nigeria, exporting 1,500 cars in the first half of this year to achieve the target originally set for 1991. As a result, the corporation doubled this year's to-Nigeria export target to 3,000 cars and is even studying plans to open on-site auto maintenance factories.

Daewoo is hastening its full-scale conversion and internationalization under a four-point guideline: Be a company that makes investments; lead the way to internationalization; upgrade functions as a trading house; attach importance to technology. Presently, it has converted 19 of its 84 overseas branches into corporations, marking the fastest progress among Korean enterprises in this area. Daewoo has plans to turn all its overseas branches into independent corporations by stages.

Daewoo Corporation's Current Status

Capital	339billionwon
1990 Sales	5.2 trillion won
1990 Exports	$4.754 billion
1990 Net profit	53.084 billion won
1991 Sales target	6.3 trillion won
1991 Export target	$6.031 million
Domestic and overseas branches	Daewoo Corporation currently maintains one office, two factories and one sales office in Korea, while overseas it has 10 trading corporations, nine manufacturing corporations and 84 branch offices (including corporations).

Burma

Air Force Delivers Errant Plane to Thai Envoy

BK0410154691 Rangoon Radio Burma in Burmese 1330 GMT 4 Oct 91

[Text] A ceremony was held yesterday at 1400 in the reception hall of No. 502 Air Force base to hand over a plane from the Royal Thai Air Force which strayed and landed near Wunbe-in village in Pegu Division on 28 September.

Briagadier Maung Maung, commander of No. 502 Air Force Base, handed over the plane to Mr. Suraphong Posayanon, Thai ambassador to Myanmar [Burma]. Speaking at the ceremony, Brig. Maung Maung said the plane was being returned on the basis of the friendship between the two Armed Forces and the leaders of the Armed Forces of the two countries. He added that there was no suspicion regarding the landing of the stray plane in Myanmar. The Thai ambassador then thanked the commander.

The ceremony was also attended by Lieutenant Colonel Maung Maung Lay, deputy commander of No. 502 Air Force Base; U Win Lwin, deputy director general of the Foreign Ministry; responsible officials from the Defense Ministry; Colonel (Damrongsak Thicharapon), Thai Army and Air attache to Myanmar; Colonel (Kasert Sirin), Naval attache; Colonel (Kowut Raseri) and officials from the Royal Thai Army Headquarters.

The plane left Yangon [Rangoon] today at 0845.

Minister Returns From WHO Conference

BK0610140691 Rangoon Radio Burma in Burmese 1330 GMT 6 Oct 91

[Text] A Myanmar [Burmese] delegation headed by Colonel Pe Thein, minister of health and education and commanding officer of the University Training Corps, who attended the ninth meeting of the health ministers from Southeast Asian member states of the World Health Organization held in Maldives, returned to Yangon [Rangoon] airport by a Myanmar Airways aircraft this afternoon.

The minister was welcomed at Yangon airport by Lieutenant General Aung Ye Kyaw, minister of construction and cooperatives; Major General Myo Nyunt, chairman of the Yangon Division Law and Order Restoration Council; Mr. Klaus Wagner, resident representative of the World Health Organization; departmental heads under the Ministries of Health and Education; and families of the delegation members.

Also returning together with the minister were Dr. Maung Kyaw, director general of the Health Department; Dr. Kyaw Win, director of the Health Department; Dr. Kan Tun, deputy director of the International Relations Division under the Health Ministry; and the personal secretary of the minister.

Exiled Dissidents Tell of SLORC Coercion

BK0510050991 Bangkok THE NATION in English 5 Oct 91 p A4

[By Yindi Loetcharoenchok]

[Text] Two exiled dissident Burmese said yesterday that they were among 221 elected representatives who were coerced by the military junta into signing their support for the ruling state Law and Order Restoration Council (SLORC) in Rangoon.

Those who refused to comply with the SLORC's demands could face imprisonment, they said, adding that at least 69 elected MPs of the National League for Democracy (NLD), which won the majority vote in the May 1990 general election, "are already in prison" and that 18 out of 56 MPs in Mandalay division "have gone missing or are unaccounted for."

U Myint Maung, 54, and U Hla Oo, 40, gave a lengthy account of their experience with the SLORC last December following the formation of the National Coalition Government of the Union of Burma (NCGUB) by a group of eight elected NLD representatives in anti-Rangoon Karen-controlled territory on the Thai-Burmese border on December 18.

Myint Maung and Hla Oo, who hold the portfolios of agriculture and forestry, and labour ministers respectively, said they were forced by the Burmese military intelligence and police to respond in favour of the SLORC and to denounce the parallel government headed by Dr Sein Win.

An elected MP from Einme constituency in Irrawaddy division, Myint Maung said that he and four other MPs of the Irrawadday division were subjected to "regular questioning" by military agents after the election and that they were "intimidated" into signing and responding positively to statements and questions such as whether they supported the SLORC and its notification No 1/90 issued on July 1, 1990 which permitted the SLORC's refusal to transfer authoritative power to elected politicians.

Other questions included whether they approved or supported Sein Win's parallel government and the news broadcast by the British Broadcasting Corporation and the Voice of America, he said, adding that he had to repudiate the parallel government out of fear of being put in prison.

"Because we are afraid of being put in prison, we had to give the answers to please the SLORC. Likewise, those who had to give the answers like us, were also motivated by the same reason. ... We affirm that we the elected representatives of the people do not entirely support the SLORC," he said.

Hla Oo from Kyauktage constituency in Pegu division gave a similar account saying "they (military intelligence) forced me to say that (he supported the SLORC), or I would face bad consequences if I refused to answer."

The two MPs said "there was no torture during the questionings, but signs of threat and intimidation. ... There was no physical torture, but mental torture. It's a threat and insinuation."

They cited the Election Commission as saying on September 1 that 221 elected MPs from six political parties supported the SLORC and denouced Sein Win's government. Myint Maung and Hla Oo said they decided to flee to the border and join with other elected representatives in the parallel government following the arrests of key political leaders and SLORC restrictions on all political parties and elected politicians.

They added that the situation inside Burma was "worsening," and that the SLORC was creating "religious and racial riots" to divert the people's attention from democracy, the same tactic the Burmese military had employed in 1967.

In Mandalay division, an area of special attention and concern to the SLORC as it was the site of several rounds of secret meetings of elected NLD members, 18 out of 56 elected MPs in the area "have gone missing or are unaccounted for," said U Hla Pe, information minister of the parallel government.

He added that he could not say definitely what happened to them, but that they "could be hiding or on the run somewhere, or there might be cases of death without our knowledge."

Asked about the fate of popular leader Aung San Suu Kyi, who has been under house arrest since July 20, 1989, Myint Maung said the SLORC has launched a media campaign against her using language improper for printing. "That causes a concern that they might use some tricks to physically harm her. ... She has been held incommunicado and that has also caused worry among her relatives and friends," he said.

Her British husband Michael Aris was the last person to have direct communication with her, only one and a half months after her house arrest. His last visit with her was on Christmas 1989.

Suu Kyi, a daughter of independence hero Aung San and founder of the National League for Democracy, has been tipped as the front runner nominee for the Nobel Peace Prize which is to be announced on October 14.

Representative Resigns for Health Reasons

BK0710141091 Rangoon Radio Burma in Burmese 1330 GMT 7 Oct 91

[Announcement No. 972 of the Commission for Holding Multiparty Democratic General Elections of the Union of Myanmar [Burma], dated 7 October 1991]

[Text] Subject: U Shwe, elected representative from Hlaing township constituency-1, Yangon [Rangoon] Division, given permission to resign as elected representative.

1. U Shwe, who represented the National League for Democracy and was elected from Hlaing township constituency-1, Yangon division, during the multiparty democratic general elections, has voluntarily sought permission from the commission to vacate his seat for reasons of health.

2. Acting on the above submission by U Shwe, and in accordance with Article 11-E of the Elections Law, the elections commission hereby permits the resignation of U Shwe as representative from Hlaing township constituency-1, effective from today.

By the authority vested in me,

Signed: Aye Maung, secretary

Brunei, Malaysia, & Singapore

Malaysia

Aceh Separatists Condemn Repatriation of Refugees

BK0810062191 Hong Kong AFP in English 0612 GMT 8 Oct 91

[Text] KUALA LUMPUR, Oct 8 (AFP)—The Sweden-based Aceh/Sumatra National Liberation Front (ASNLF) Tuesday deplored Malaysia's decision to repatriate some 200 Acehnese boat people and urged Kuala Lumpur to reconsider its decision announced Monday.

ASNLF President Hasan di Tiro said in a statement received here that the people who fled Indonesia's troubled Aceh province in batches earlier this year were freedom fighters escaping persecution by Indonesian troops and should be protected as refugees.

Malaysian and Indonesian officials said after talks here Monday that the Acehnese would be sent home without fanfare and that the repatriation would be sanctioned later this week when Malaysian Foreign Minister Abdullah Ahmad Badawi meets with his Indonesian counterpart Ali Alatas here.

The announcement came on the first day of a scheduled five-day inaugural meeting of the Malaysia-Indonesia Joint Commission established to discusss bilateral problems and enhance cooperation.

The director-general for political affairs of the Indonesian Foreign Ministry, Sastrohandojo Wirjono, said the two governments had discussed the problem informally and would arrange for the repatriation by convincing the Acehnese they would not be persecuted.

"Basically we are thankful to Malaysia for the way it handled the arrivals. Malaysia has not treated them as refugees but as foreigners having entered the country without proper permits," he said.

Hasan, however, called the decision "a tragic event" unprecedented in Achenese-Malay relations "tied by common blood, common creed, common language and culture and common destiny."

He said the Malaysian government's decision to hand over the Acehnese to Indonesian authorities amounted to treating the asylum-seekers as "fugitive slaves," and warned that the move was "fraught with consequences for Malaysia itself."

Acehnese sources here said a boat load of 24 Acehnese landed in the northern Kedah state on Wednesday, only days after the reported repatriation of 16 people who had arrived earlier this year.

"The uncertainty surrounding the early arrivals has not deterred others from fleeing Aceh because of the fighting there," an ASNLF official said.

The official said the latest group comprised 22 men of various ages and a woman and child, all from Pase in north Aceh and Peureulak in east Aceh.

Islamic Movement Denies Operating Radio Station

BK0510142891 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 5 Oct 91

[Text] The government has not issued any license to the private sector to operate a radio station, the minister of information, Datuk Mohamed Rahmat, said in response to reports that the Arqam [an Islamic social movement] commune was operating one from Sungai Penchala near Kuala Lumpur. He said enforcement officers would be sent to investigate the reports and close down the station if one was found to be operating there. He said such a radio station was illegal and ought to be closed down immediately because it contravened the broadcasting act. Only Radio Television Malaysia, RTM, was allowed to operate a radio station. Datuk Mohamed Rahmat said the government had not issued any license to allow the private sector to operate a radio station.

He was speaking to reporters after launching a clean-up of the Angkasapuri premises in Kuala Lumpur. He also said the police and Anti-Corruption Agency, ACA, were investigating into malpractices in the ministry which involved a senior official.

Meanwhile, a Special Branch police party today conducted inquries at the Arqam commune. An Arqam spokesman, who confirmed that police searched the place, denied that it had been operating the station since two months ago. He said Arqam only had a studio which aired [word indistinct] songs over loudspeakers for the commune members. He said the studio only operated on Sundays for four hours beginning at 8 am. He said that it is the only formal broadcast in the commune. He said the studio was registered and the police party investigating the place was satisfied and found nothing like the operation of an illegal radio station. According to a newspaper report, Arqam was operating a radio station which broadcast information and the latest developments of the movement on the FM frequency.

Cambodia

French, UK Firms Sign Oil Exploration Contract

BK0510093291 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 4 Oct 91

[Text] At 1800 on 3 October at an international-class hotel, a ceremony to sign a contract on oil exploration between the State of Cambodia's government represented by the Ministry of Industry on the one hand and the French oil company CEP [Compagnie Europeenne Des Petroles] and the British oil company Enterprise Oil on the other was held under the chairmanship of Comrade Say Chhum, member of the party Central Committee Political Bureau and standing vice chairman of the Council of Ministers.

This is the first time since the day of liberation that the Ministry of Industry, with effective study and research in cooperation with the Soviet Union [as received], has achieved such results.

We hope that the French and British oil companies will exert efforts on oil exploration and exploitation and share the output with the State of Cambodia as stipulated in the agreement.

The companies have selected the first and second oilfields in Cambodia's sea.

The world is in great need of oil, which is a natural resource of great importance. It is useful for promoting the state's backward economy toward prosperity.

The CEP and Enterprise Oil companies have been successful in oil exploration in Europe's northern sea, and are currently carrying out oil operations in Vietnam and Laos and in 15 other countries around the world.

Chea Sim Receives Delegation

BK0610060891 Phnom Penh SPK in English 0412 GMT 6 Oct 91

[Text] Phnom Penh SPK October 6—National Assembly Chairman Chea Sim received here Thursday a delegation of the Company of European Petroleum [CEP] led by Director Michel Doumeng.

The delegation came here Wednesday to sign an oil exploration agreement with the Government of the State of Cambodia.

Chea Sim, who is also Politburo member of the People's Revolutionary Party of Kampuchea Central Committee, briefed the delegation on the process of a political solution to the Cambodian issue now reaching a conclusion.

He called the oil exploration by the CEP a good step in promoting relations between Cambodia and France. France had an important role in Cambodia's peace solution, he said.

Michel Doumeng thanked the Phnom Penh Government for allowing his company to start exploring off Cambodian shores.

Apart from the oil exploration in Cambodia, the CEP also wanted to make a joint venture with a Cambodian partner in tourism in the future, Michel Doumeng said.

The signing of the oil exploration agreement (?would encourage) other companies to invest in Cambodia, he said.

Leaders Attend Tree Planting Ceremony in Kandal

BK0810041591 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 7 Oct 91

[Station correspondent's report on a pipal tree planting ceremony held in Kandal Province on 7 October—passages within quotation marks recorded]

[Summary] A pipal tree planting ceremony was held in Kandal Province on the morning of 7 October in the presence of Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the National Council of the Kampuchean United Front for National Construction and Defense [KUFNCD]; Comrade Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Mat Ly, member of the party Central Committee Political Bureau and vice chairman of the National Assembly and of party Central Committee's Control Commission; Comrade Sim Ka, alternate member of the party Central Committee Political Bureau and secretary of the Phnom Penh Municipal Party Committee; Comrade Kong Samol, member of the party Central Committee, vice chairman of the Council of Ministers, and minister in charge of the Council of Ministers' cabinet; and ministers, deputy ministers, leaders of various ministries and institutions, the chairmen of the people's committees of Takeo and Kompong Speu Provinces, and many provincial cadres.

Comrade Vong Sot, secretary of the provincial party committee and chairman of the people's committee of Kandal Province, addressed the gathering. He welcomed the presence of Chea Sim and other party-state leaders, expressing joy over the revival of Buddhist ceremonies following liberation day on 7 January 1979, and thanked the party, government, and front for organizing the ceremony.

In his speech, Chea Sim said the pipal trees given to the Cambodian people last year by the Indian Government have already been planted in various cities and provinces. Recently, the Indian Government gave more pipal tree seeds to be planted in the other provinces, he added.

"Comrade Chea Sim stressed that the Cambodian people have always wanted genuine peace and have made merit everywhere and whenever possible for peace and glory of the country. Our people have been through war for the past 20 years. The war has brought untold sufferings and caused great destruction to their lives, property, and religion. Therefore, the greatest desire of the Cambodian people is peace and a life without war and destruction.

"Comrade Chairman Chea Sim stressed that (?all aspects of) the Cambodian solution have been resolved and unanimously agreed upon. What is left is the signing of the agreement to be held in Paris at the end of October and the implementation of this agreement. Therefore, all people should join hands with our party and state in building a peaceful and prosperous society in the future. The compatriot-victims of the recent flood, in addition to the assistance given by the party and state, should particularly strive to rebuild their lives."

After planting the pipal tree, Comrade Chea Sim and the other leaders offered alms to 80 monks with the Buddhist devotees there.

UNDP Gives Relief Aid to Flood Victims

BK0510072891 Phnom Penh SPK in English 0145 GMT 5 Oct 91

[Text] Phnom Penh SPK October 04—The United Nations Development Program [UNDP] has given 300,000 U.S. dollars in relief aid to Cambodians affected by recent floods.

The aid was given in Phnom Penh Monday by Robert Piper, representative of UNDP, to Cambodia's committee for reception and distribution of relief aid.

The funds, come from UNICEF, UNDP and OSRSG in Bangkok, will be used by non-governmental organizations in Phnom Penh, including IRRI [International Rice Research Institute], PADEK [Partnership for Development in Cambodia], and WVI [World Vision International], for Kandal, Prey Veng, and Kompong Cham Provinces.

Some 17,700 dollars of the amount will be used to buy rice seed to replant the rice crop damaged by the flood which affected these provinces in mid-August.

Deputy Agriculture Minister Pen Panhnha said Cambodia had received a considerable amount of food assistance from international humanitarian organisations and Cambodian farmers had so far regrown rice on 30 per cent of the 180,000 hectares destroyed by floods.

Chea Sims Visits Flood Victims in Kompong Cham

BK0410075191 Phnom Penh SPK in French 0400 GMT 4 Oct 91

[Text] Phnom Penh 4 Oct (SPK)—Chea Sim, member of the Kampuchean People's Revolutionary Party Central Committee Political Bureau and chairman of both the National Assembly and the Kampuchean United Front for National Construction and Defense [KUFNCD] National Council, recently paid a visit to the flood victims in the districts of Srei Santhor and Kaoh Sotin of Kompong Cham Province.

Accompanied by Mat Ly, member of the Political Bureau and vice chairman of both the National Assembly and the party Central Committee Control Commission, Chairman Chea Sim distributed, as emergency relief aid, 40 tonnes of rice, mosquito nets, blankets, scarves, and a significant quantity of foodstuffs, as well as 1,000 packs of basic necessities donated by the Cambodian Red Cross to 1,000 victim families.

This year the floods, stemming from the rise of water from the Mekong River and torrential rains, were unprecedented compared to those in 1978 and 1982 and have caused huge losses for every locality in the province. In Kaoh Sotin District alone, over 200 houses have been submerged, 5,600 hectares of rice destroyed, and 29 dams, seven bridges, and almost all lines of communication damaged.

The provincial Red Cross committee has distributed 17 tonnes of rice to more than 800 victim families in Srei Santhor District, and it has also handed over 36 tonnes of rice to 1,500 victim families in the district of Kaoh Sotin.

According to a representative of the KUFNCD National Council, another important batch of aid worth 80 million riels will be distributed to flood victims in three other flooded districts of Tbong Khmum, Kroch Chhma, and Kompong Siem.

On behalf of the party, government, and KUFNCD National Council, Chairman Chea Sim expressed his sadness over the loss of property and lives caused by the flood. He informed the local population about the special preoccupation of the party and government with the fate of the flood victims, as well as their efforts in the search for aid for the urgent needs of the latter.

Chairman Chea Sim also briefed the local people on the current situation in the country and the efforts made by the State of Cambodia's government, particularly the activities pursued by Council of Ministers Chairman Hun Sen in New York, to find a political solution to the Cambodian problem that will end the 13-year war in Cambodia.

It is worth noting that this year's floods have affected 13,000 houses, over 24,000 hectares of rice, and nearly 1,400 hectares of subsidiary and industrial crops in the province. Twenty-seven bridges, almost all lines of communication and hydroelectric dams have been damaged, and more than 192,000 people have been without food.

Radio Notes Nationwide Flood Damage to Crops

BK0610064491 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 5 Oct 91

[Summary From Poor Reception] Toward the end of the rainy season production campaign, peasants througout the country have transplanted over 1,380,000 hectares of rice of the planned 1,940,000 hectares. This represents an increase of nearly 295,000 hectares compared to the same period last year.

Due to natural disasters, particularly the floods in mid-August, large areas of crops in Kompong Speu, Takeo, Kampot, Kandal, Stung Treng, Kratie, Kompong Cham, Prey Veng, Kompong Thom, Siem Reap- Oddar Meanchey, Pursat, and Kompong Chhnang Provinces, and Phnom Penh City have been damaged. "According to incomplete figures, by 26 September, over 306,000 hectares of rice had been flooded; of these over 179,000 hectares have been salvaged. Over 4,440 hectares of subsidiary crops have been damaged."

"According to the assessment of the Agronomy Department, once the floods have receded, over 119,000 hectares will have to be replanted; however, we will be able to replant only between 35 to 55 percent of this."

Figures for Industrial, Subsidiary Crops Reported

BK0710063091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 6 Oct 91

[Text] According to a report from the Agriculture Ministry, by the end of September, over 109,400 hectares of subsidiary food and industrial crops had been planted throughout the country. Subsidiary food crops take up over 86,700 hectares, an increase of over 5,700 hectares compared to same period last year, while over 22,700 hectares are industrial crops or over 8,700 hectares less than the same period last year.

In sum, after the flood subsided, over 4,440 hectares of land for planting subsidiary food crops were damaged.

At present, peasants in all localities throughout the country are striving to rehabilitate their crop land.

Khmer Rouge Forces Violate Cease-Fire 30 Sep

BK0410125491 Phnom Penh SPK in English 1121 GMT 4 Oct 91

[Text] Phnom Penh SPK, October 4—The Khmer Rouge forces launched heavy attacks on two villages in Battambang Province, only 11 days after the meeting in New York solved the remaining issues barring a peaceful settlement.

Kdol and Ta Hen in Bavel District were under attack from 450 shells fired by 120, h18 and 75 mm guns on September 30.

The SNC [Supreme National Council] meeting in New York agreed on the electoral system of provincial representation to be carried out in Cambodia under U.N. supervision. In another development, the United Nations (?would) send some 78 military observers to Cambodia as part of a 235-member team as soon soon as a peace settlement is signed in Paris on October 23.

The team which is to recruit 75 people locally and whose communications will be handled by a 40-member Australian unit, will be given the task of supervising the cease-fire, which has been in effect since May 1.

Guerrillas Accused of Ignoring Cease-Fire

BK0810110891 Hong Kong AFP in English 0819 GMT 7 Oct 91

[by Sheri Prasso]

[Text] Phnom Penh, Oct 7 (AFP)—Peace may be on the table for Cambodia, but war is still raging in its jungles.

Guerrillas led by the Khmer Rouge—including the followers of the chief proponent of peace, Prince Norodom Sihanouk—have stopped respecting the ceasefire that all sides agreed to in July, Cambodia's defense and deputy prime ministers both said over the weekend.

"They attack us every day, and we have already put away our weapons," deputy premier Kong Sam-ol said in an impromptu interview on the tarmac of Pochentong Airport while waiting for Premier Hun Sen to arrive from India on Sunday.

"They're still trying to get more territory," he said. "We tell our soldiers not to respond when they receive an attack, just to stay in the camp."

As the day for signing the peace accord draws near, peace grows ever distant in the Cambodian countryside as both sides attempt what they call consolidation of territory ahead of United Nations- sponsored elections in 1992.

Last month the U.N. stopped sending in emergency supplies from Thailand due to the fighting.

The resistance has claimed ceasefire violations as well, but instigated by the other side.

The non-communist group following former Cambodian prime minister Son Sann, the Khmer People's Liberation Front (KPNLF), said the Cambodian army attacked its frontline positions along Route Five, which runs from the Thai border through the northwest of Cambodia.

The KPNLF reported three casualties on the government side, but none of its own.

Most of the fighting was occurring in the provinces of Siem Reap and Battambang, the Cambodian authorities said.

All the factions are scheduled to sign the peace agreement October 23 in Paris. Prince Sihanouk is due to return here November 14 for the first time in 13 years, as head of the Supreme National Council which is to govern this country until the elections.

But Kong Sam-ol charged that the Sihanoukists were among the violators of the ceasefire.

"Just because they are in his faction doesn't mean anything," he said. "They are still fighting."

Even bigger than fighting is the problem of mine-laying. Humanitarian aid workers here say both sides are continuing to bury mines as part of this "consolidation"—or marking of territory.

"The mines, they (the guerrillas) put them like mushrooms," Defense Minister Tie Banh said.

"It's one of the most difficult problems because it takes time" to remove them, he said. "From our side it's easy because we have maps."

Meanwhile, it's the civilians who suffer most.

Mine victims in the central town of Kompong Thom number 70 out of 90 patients treated by Medecins Sans Frontiers-France (Doctors Without Borders) per month, medical coordinator Isabelle Fournier said.

She estimated 150 to 200 people have limbs blown off by mines every month in Cambodia.

"The government is continuing to put mines in its territory in order to halt the progress of the Khmer Rouge," she said.

Another aid worker returning from the provinces over the weekend said her hospital in Kompong Cham was counting three deaths per week because of mine accidents.

"It's the farmers, women, little boys, everybody, who are affected by mines," Fournier said.

Pro-Sihanouk Guerrillas Deny Land Grabbing

BK0810113091 Hong Kong AFP in English 1044 GMT 8 Oct 91

[Text] Bangkok Oct 8 (AFP)—Forces loyal to former Cambodian monarch Prince Norodom Sihanouk have denied charges they are trying to gain more land in Cambodia and have called for the quick establishment of a U.N. presence there to monitor a ceasefire.

Officials in Phnom Penh said earlier this week that the guerrilla groups, including the group which Prince Sihanouk formerly led, had violated a ceasefire on numerous occassions in order to control more territory.

Prince Sihanouk officially resigned as head of the guerrilla group loyal to him earlier this year in order to oversee the peace process from a neutral position.

The guerrilla group, which is now led by Prince Sihanouk's son, Prince Norodom Ranariddh, said Phnom Penh government forces had attacked them on two occasions in central Kompong Thom province recently and once in Siem Riep.

Two of their soldiers were killed and three wounded in the attacks, the group said.

The group called on the United Nations to speed up the arrival of its presence in the country to monitor and control the ceasefire which has been in effect since the beginning of May.

Indonesia

Suharto Addresses International Energy Conference

BK0810070991 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 8 Oct 91

[Text] President Suharto says that mutual understanding between producers and consumers will guarantee the availability of oil for the world community. Thus, it is time for energy producers and consumers to hold dialogues and consultations more frequently to remove disadvantageous barriers.

President Suharto made the remarks when he opened the 20th annual convention of the Indonesian Petroleum Association and 2d International Energy Conference at the Convention Hall in Jakarta this morning. He said that oil producers as well as consumers needed a stable and normal oil market to enable them to make reliable plans for the future. The head of state called for the forum to be used to create good cooperation.

Faisal Abda'u, president director of the State Oil and Gas Company, said in a report that the future of oil and gas in the energy market, their role in economic development, and alternative sources of energy will be discussed during the international energy conference attended by 350 domestic and foreign participants. He said the annual convention and international energy conference, which would last three days, would be useful for the development of oil and gas industries and energy in Indonesia and the enhancement of the ability of Indonesian experts in sustaining national development in oil, gas, and energy.

Amicable Settlement Expected on Island Dispute

BK0810073791 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 8 Oct 91

[Text] The Malaysian Government is confident that the dispute with Indonesia over Sipadan and Ligitan islands will be amicably settled, although this will take a long time. According to Datuk Ahmad Kamil Jaafar, secretary general of the Malaysian Ministry of Foreign Affairs, such a settlement will take a long time because the two countries need to undertake thorough studies.

Speaking to newsmen at the end of the first-day meeting of senior Indonesian and Malaysian political officials in Kuala Lumpur yesterday, Datuk Ahmad Kamil said that the senior officials had set up a special subcomittee in charge of the Sipadan and Ligitan issue. The subcommittee is expected to present a report and proposals today. They will be discussed at a ministerial-level meeting on Thursday.

Diplomatic Relations With Mozambique Established

BK0510095091 Jakarta ANTARA in English 0548 GMT 5 Oct 91

[Text] New York, Oct 5 (OANA-ANTARA)—Indonesia and Mozambique on Friday opened diplomatic relations at ambassadorial level and planned to exchange delegations to explore fields of cooperation.

To mark that event, a joint statement was signed at UN headquarters in New York by the permanent representatives of both countries to the world body, Ambassador Nana Sutresna of Indonesia and Ambassador Pedro Comissario Alfonso of Mozambique respectively.

This step was a follow-up of the decision by the foreign ministers of both countries at the ministerial level meeting of the Organization of the Islamic Conference (OIC) in Ankara, Turkey, on July 29 through August 4 this year.

Mozambique had the status of an observer at the OIC.

Ambassador Nana Sutresna after the signing of the joint statement, said that this event opened a new page in the relations of both countries, because previously both countries had no diplomatic relations.

He expressed the hope that the new page in their relations would be filled by more concrete and mutual beneficial cooperation.

Ambassador Alfonso on his part said that to fill the new page, an exchange of delegations would be carried out to explore fields of mutual beneficial cooperation.

In his statement to ANTARA, Alfonso said that Mozambique was interested in cooperation in the field of agricultural and fishery development as well as in other fields which served the interests of the peoples of both countries.

He specifically pointed out that the opening of diplomatic relations was a historic event in the relations of his country with Indonesia, which, according to Alfonso, played an important role in the Non-aligned Movement.

The joint statement, he went on to say, marked the readiness of both countries to enhance friendly relations and cooperation.

Nana Sutresna said that Mozambique had so far taken an unfavourable position against Indonesia in the East Timor issue at the UN forum, but the signing of the joint statement showed that friendly relations and cooperation between the two counties were far more important.

And differences of opinion in the East Timor issue would not become an obstacle in the friendly relations and cooperation, Nana Sutresna stressed.

He further expressed the hope that the exchange of delegations would foster mutual trust and appreciation between the two countries.

Mozambique is a former colony of Portugal on the east coast of Africa with Maputo as its capital. It has a population of 14.7 million people. The country received its independence on June 25, 1975. And its current president is Joaquim Chissano.

Mozambique is a main producer of cashews, cotton, coconut sugar, tea, coal, copper, and bauxite.

Laos

Spokesman Denies Photo Depicts U.S. MIA

BK0710140391 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 7 Oct 91

[Text] Speaking to Lao reporters during a news conference held in Vientiane this morning on the rumor, publicized by newspapers and television in the United States and some foreign countries in September, about a U.S. prisoner of war now still alive in Laos, Vanheuang Vongvichit, head of the Information Department of the Foreign Ministry, revealed that a team of Lao officials and U.S. technicians on 10 and 11 September went to Nong District of Savannakhet Province to investigate the matter and later agreed that the rumor was groundless. The rumor was cooked up by a number of bad elements with a hope of disrupting and sabotaging relations between Laos and the United States and creating misunderstanding against the Lao People's Democratic Republic among the U.S. people and families of U.S. soldiers listed as missing in Laos during the war.

Vanheuang Vongvichit said that the publication of the rumor by the U.S. newspapers had triggered the Lao Government to expeditiously dispatch officials to investigate many localities. The investigation revealed that the person in the news reports is a member of the (Mangkon) tribe of the Lao Theung group. His name is (Alao). (Alao) in Lao Theung language means uncle with a mustache. He lives in (Souang Tai) village in Nong District. Uncle (Alao), about 66, is half French. His wife's name is Kae. She is 45. They had five children, but four succumbed to diseases. Now, he has only one son, age 21. During the interrogation, he told the Lao officials and U.S. technicians that a number of people took his picture with his permission because he looks like a European. They later sent his picture to the United States where it was claimed to be the picture of (Bora), a U.S. pilot missing during the war in Laos. The picture is in fact Uncle (Alao), a Lao farmer—short person—who knows nothing about the matter and has nothing to do with it. This is the fact about the world-renowned rumor published in the U.S. newspapers.

The head of the Information Department said in conclusion that the Lao Government, pledging to strengthen biliateral relations, which have been improved every passing day, for the benefit of the Lao and U.S. people and for humanitarian reasons, has since the end of the war in Laos handed over 10 U.S. prisoners of war to the U.S. Government and cooperated with U.S. side in searching for and retrieving nearly (?45) sets of remains of U.S. servicemen missing in Lao territory. At present the Lao side is continuing to cooperate with the U.S. side in searching for the remains of U.S. soldiers missing in Laos.

Kaysone Phomvihan Slated To Visit Vietnam 'Soon'

BK0710114891 Vientiane KPL in English 0926 GMT 7 Oct 91

[Text] Vientiane, October 7 (KPL)—Kaysone Phomvihan, president of the Lao People's Revolutionary Party CC [Central Committee] and president of the republic, is going to visit the Socialist Republic of Vietnam soon, indicated a notice of the Lao Foreign Ministry.

The visit is in response to the invitation of Do Muoi, general secretary of the Communist Party of Vietnam CC and Vo Chi Cong, president of the State Council of the SR [Socialist Republic] of Vietnam.

Iranian Deputy Foreign Minister Arrives on Visit

BK0710115291 Vientiane KPL in English 0920 GMT 7 Oct 91

[Text] Vientiane, October 7 (KPL)—A delegation of Iranian Foreign Ministry led by Deputy Minister Alaeddin Boroujerdi arrived here yesterday to pay an official 3-day visit to Laos at the invitation of the Lao Government.

During his first visit to Laos Mr. Alaeddin Boroujerdi, who is in charge of the Asia and Pacific Region, according to the programme, will meet with Mr. Soulivong Phasitthidet, Lao deputy foreign minister, Mr. Thongvan Phanlasavong, deputy minister of trade and tourism.

The visit is to deal with economic cooperation and trade between the two countries. Laos is interested in Iran's oil and materials for Laos' industry, whereas Iran is interested in Laos' wood products and limestone as raw material for cement factory.

Visit Strengthens Ties, Cooperation

BK0810142691 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 8 Oct 91

[Text] Alaeddin Boroujerdi, Iranian deputy foreign minister in charge of the Asia and Pacific Region, concluded his first friendship visit to the Lao People's Democratic Republic on 8 October.

During his three-day visit, the Iranian deputy foreign minister met with a number of high-level Lao cadres and brought up important issues for discussion to further strengthen the Lao-Iranian relations and cooperation, particularly in the economic area.

This afternoon Alaeddin Boroujerdi left Vientiane for Hanoi for a friendship visit to the SRV.

Nouhak Phoumsavan Receives New Burmese Envoy

BK0510092691 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 5 Oct 91

[Text] Nouhak Phoumsavan, chairman of the National Assembly, received yesterday evening U Maung Maung Lay, new ambassador extraordinary and plenipotentiary of the Union of Myanmar [Burma] to Laos. The ambassador presented his credentials to the president of the republic on 25 September.

Nouhak Phoumsavan congratulated the ambassador for his new mission in Laos which will contribute to the further strengthening of the existing friendship and cooperation between the governments and peoples of the two countries.

Ministers Attend German Reunification Reception

BK0410144691 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 4 Oct 91

[Text] On the evening of 3 October, Claus Soensen, ambassador extraordinary and plenipotentiary of the Federal Republic of Germany [as heard] to Laos, and his wife hosted a reception at Lan Xang Hotel on the first anniversary of the reunification of Germany.

Attending the reception were Khamphoui Keoboualapha, deputy prime minister and minister of economy, planning, and finance and the person in charge of guiding trade and tourismm; ministers, deputy ministers, and a number of high ranking cadres from many ministries; and members of the diplomatic corps and representatives of the international organizations in Laos.

Thirty-Five Refugees Return From Thailand

BK0610114291 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 5 Oct 91

[Text] Recently, some 35 Lao refugees of 10 families have volunteered to return to their homeland in Bokeo Province. They were warmly welcomed by representatives of the provincial social welfare service, secretary of the Thai embassy, a representative of the United Nations Office of High Commission for Refugees [UNHCR] to Laos, and oficials of Thailand's Chiang Khong District, Chiang Rai Province.

After the hand-over ceremony, all the refugees were taken by officials of the Lao side to a temporary refugee center for temporary stay. They will be later sent to their native villages as they wish.

DPRK Leaders Send Thank-You Messages

BK0410104091 Vientiane KPL in English 0911 GMT 4 Oct 91

[Text] Vientiane, Oct 4 (KPL)—Mr. Kaysone Phomvihan, chairman of the LPRP CC [Lao People's Revolutionary Party Central Committee] and president of the Lao PDR [People's Democratic Republic], recently received a message of thanks from Mr. Kim Il- Song, general secretary of the WPK CC [Workers Party of Korea Central Committee] and president of the DPR [Democratic People's Republic] of Korea for his congratulations extended on the occasion of the 43rd founding anniversary of the DPR of Korea.

The message expressed belief that friendly relations and cooperation between the two parties, countries and peoples would be further strengthened and developed.

Also on the same occasion, Prime Minister Khamtai Siphandon and Foreign Minister Phoun Sipaseut have received messages of thanks from their DPRK counterparts Yon Hyong-muk and Kim Yong-nam respectively.

Damage to Rice Crops in Luang Prabang Reported

BK0410123891 Vientiane KPL in English 0903 GMT 4 Oct 91

[Text] Vientiane, Oct 4 (KPL)—Over 80 ha [hectares] out of 2,300 ha of paddy fields in Luang Prabang Province have been damaged this year due to shortage of rains then floods.

Luang Prabang District as well as others, since the beginning of the rice cultivation season, have been plagued by insects, caterpilars and rats, apart from being affected by shortage of rains.

It has also been reported that rats have ravaged 3,900 ha of which 488 were seriously damaged.

Article Urges Vigilance, Discipline in Military

BK0710105591 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 7 Oct 91

[Article: "Heightening a Sense of Vigilance Is the Regular Responsibility of Our Armed Forces"]

[Text] The current world situation is dominated by economic relations among countries which are striving to create conditions favorable to their own prosperity. Simply speaking, each country is trying to extricate itself from difficulties and hardships. As an underdeveloped nation, our country is implementing the party's foreign policy of unprecedentedly broadening economic relations with foreign countries. It is a policy of making more friends than foes. So far, the implementation of such a foreign policy has yielded satisfactory results. As for domestic affairs, our entire party, armed forces, and people are pursuing a national economic development policy designed by our party. This policy involves shifting from natural and subsistence production to goods-oriented production, which relies on the market mechanism as a major tool for buying and selling as well as transaction activities, in order to increase the income of each individual and society as a whole and completely liberate our country from the danger of poverty. Our people in all parts of the country are jovially following the party's and government's path of renovation in politics, military, economy, and foreign relations in a bid to promote and materialize the popular democratic system. This is a heavy task which we cannot fulfill in a short period of time.

In the new dynamic revolutionary era and under new favorable conditions, both internal and external, our people are determined to work for national strength and prosperity. But some bad elements who once served as lackeys of foreigners have been carrying out activities detrimental to the people and nation. These counterrevolutionary activities exist in some localities, especially mountainous regions. Despite the fact that the movements of the bad elements and bandits cannot affect peace and order in society, our regional armed forces, infantrymen, militia-guerrilla and self-defense units must heighten their sense of self-vigilance and take initiatives in maintaining peace and order and defending the lives of the people and property of the country.

As everyone knows, our country is entering a new decade of peace and stability. Armed forces, in the time of war or peace, must always possess a sense of self-vigilance. The more soldiers have the sense of self-vigilance and discipline the better they can do their duty. However, we should know that to possess the sense of self-vigilance does not mean only that we must have weapons in hands and be ready to wipe out our enemy. We must demonstrate our sense of self-vigilance in many ways. For example, we must have a sense of discipline and strictly follow the instruction and orders of commanders, regularly attend military and political training courses, and improve oneself's line of thinking. The more our country enjoys peace, the more our soldiers must be active and gain the confidence of the people. All units must observe military discipline and turn themselves into trustworthy forces of the people. All members of the armed forces must always remain vigilant against all political and military tricks and psychological warfare of the enemies.

Mass Organs Advised To Fulfill New Obligations

BK0710062791 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 4 Oct 91

[Text] Respected listeners, in our political system in the past, the present, and the future, the front and mass organizations have played an important role in educating, rallying, and mobilizing the masses to take part in the past national liberation struggles as well as in defending and building the country; enhancing the right to mastery and democratic freedom of the multiethnic people of all strata; and in safeguarding the legitimate and just interests of all their respective members.

The front and mass organiztions that have already been firmly systemized and extensively recognized include the Lao Front for National Construction [LFNC], the Federation of Lao Trade Unions [FLTU], the Lao People's Revolutionary Youth Union [LPRYU], and the Federation of Lao Women's Unions [FLWU]. These organizations have played important roles in their respective areas and have closely coordinated with one another in fulfilling numerous historic tasks.

However, under the present circumstances, to fulfill their tasks and obligations in the new period, these organizations must change the contents and patterns of their activities through various forms and formats in order to rally more extensively the masses on a voluntary and dynamic basis. They must not simply wait for people to come to apply for membership, nor allow members to remain idle without carrying out activities benefitting the organizations themselves or the country. In addition, in the immediate future, we must consider setting up other mass and social organizations that are suitable to the types of professions, ages, and classes in our society so as to allow all Lao citizens in all occupations, ages, sexes, and strata to have their own specific organizations to carry out activities to safeguard their own interests and rights and to work for the good of the country.

Another change they must affect is in the financial area. All mass organizations must try to become self-reliant in financing their own activities. This means that they must try to find their own sources of income for financing their work and to refrain from relying on government budgets as they have in the past. However, this does not mean that the state will not render any assistance to them at all. The state will still give them financial support to carry out certain essential tasks that are in the interests of society. For instance, the FLWU must certainly make greater efforts to become financially self-reliant in carrying out its activities. However, the state is still obliged to assist it in fulfilling certain obligations in society, such as mother and child care and raising the quality of life of Lao women. The state cannot allow each women's union to entirely shoulder such responsibilities by itself.

Philippines

U.S., USSR Arms Cuts 'Welcome Development'

HK0810021491 Manila THE CHRONICLE in English 8 Oct 91 p 1

[By Annaliza Guiwa]

[Text] More "spectacular cuts" will be undertaken by the Soviet Union not only of its forces but also its land and sea nuclear arsenal in the Asia-Pacific region by 1995, Soviet Ambassador to the Philippines Vitaliy Kuchuk said yesterday.

Kuchuk also allayed fears that the Soviet Union would "invade" the Philippines with the withdrawal of American military forces from the country.

"I think there would be more spectacular cuts in not just the 700,000 (Soviet) forces" now stationed in the region, the envoy told the tri-media forum held at the Manila Overseas Press Club yesterday.

Meanwhile, President Aquino yesterday welcomed the nuclear arms cuts announced by President Bush and Soviet President Mikhail Gorbachev.

"The action of the U.S. and the USSR in decreasing their nuclear stockpiles is a welcome development," Mrs Aquino said in a statement.

The Soviet envoy hinted that such reduction would be accompanied by the removal of Soviet nuclear weapons installed both on land and on sea in some countries in Asia and the Pacific. But Kuchuk did not elaborate nor did he identify the countries in the region where the nuclear weapons are installed.

He expressed the hope that other "superpowers" would support the initiatives being taken by the U.S. and the Soviet Union to "create a nuclear-free and safer world and a more stable peace."

At the same time, Kuchuk assured that the Soviet Union would not "invade" the Philippines with the withdrawal of U.S. forces here.

He noted that relations between the two countries have improved over the years and that the Soviet Union would continues to support the Philippines even with the U.S. withdrawal.

Kuchuk's initiative followed an announcement from Soviet President Mikhail Gorbachev over the weekend of sweeping Soviet reductions in nuclear weapons on land and sea to create a "nuclear-free world."

He said other countries are expected to "fill the vacuum" following arms cuts by Moscow and Washington. He said he expected that "there will be a lot of smaller nations which will try to muscle in."

Government Not To Give U.S. Termination Notice

HK0810030891 Manila THE CHRONICLE in English 8 Oct 91 pp 1, 10

[By Booma Cruz and Johanna Son]

[Text] Malacanang yesterday said the government would push ahead with negotiations with the U.S. on the withdrawal of American forces here within three years starting Sept 17 this year with or without a Senate resolution.

Press Under Secretary Horacio Paredes also said the government would not serve a notice of termination to Washington and would instead send a diplomatic note asking to negotiate the withdrawal of U.S. forces.

"We don't think that (notice) is necessary to be technical about it, becuase primarily the note tells them (U.S.) that we wish to talk about withdrawal not to exceed three years beginning Sept 17, 1991," Paredes said.

The senators themselves were split over whether or not the Philippines should serve a new notice of termination, following a decision to allow the U.S. a three-year pullout period.

Even as the issue remained unresolved, Senate President Jovito Salonga said the nine anti-treaty senators who have not signed a resolution for a three-year pullout are "firm" on a one-year withdrawal period provided for in the Ramos-Rusk Agreement.

Their bottom line, Salonga said, is that the "military aspects" of Subic Naval Base—soldiers and weapons systems—should be pulled out in one year at the most.

Senators said this could provide the middle ground for a compromise in which U.S. troops would be out in a year, but allows Manila up to three years to complete its takeover of Subic.

Meanwhile, Paredes said the Philippine panel formed to firm up the terms the Aquino government would present to the U.S. wants to avoid technical problems regarding the notice of termination.

"Each lawyer has his own interpretation of the Constitution," Paredes said, referring to the serving of the notice of withdrawal.

Instead, the panel would prefer to start negotiations with the U.S. as soon as possible, he added.

Executive Secretary Franklin Drilon, Malacanang said, would start meeting this week with the senators to gather suggestions and other imputs for the proposed executive agreement with the U.S.

Consultations with the Senate were deemed necessary "to make sure that the government is as united as possible" on the resolution.

Details of the negotiations with the U.S. and the composition of the Philippine panel have yet to be decided.

According to Paredes, "everything that has to be talked about would be talked about." The only thing definite, he added, is the three-year withdrawal period.

But Paredes warned that it would be self-defeating for the government to take "very, very hard positions on contentious matters" regarding the bases because disagreements would only delay resolution of the issue.

He stressed that although the Aquino government's goal is to make the withdrawal process irreversible, it could not control what the next administration would do with the executive agreement.

In the Senate, Minority Leader Juan Ponce Enrile said the Philippines should issue a new eviction notice, saying it is the only option given by the Constitution.

"That means they want the U.S. to stay," Enrile said, when told of the Palace statement that it would no longer serve a new notice to Washington.

He reiterated that no U.S. base or troops could remain in the country beyond Sept 16 without a new treaty, and then asked: "Did they change the Constitution?"

But Senator Rene Saguisag said there is no need for a new notice because the clearest eviction notice is "there is an agreement to leave."

"That in itself is the notice of termination," he added as he explained that a pullout would make a notice "academic" and would overtake the Ramos-Rusk accord.

He added the withdrawal schedule could provide a middle ground between supporters of a three-year pullout and the nine hardline anti-treaty senators.

The resolution could provide for graduated levels of troop reductions within a year, as the nine senators want, but allow a total of three years for the complete takeover by Manila, Saguisag explained.

The Kilusang Mayo Uno [1 May Movement] (KMU) opposed the three- year pullout period, warning that this constituted an "open invitation" for American intervention in the 1992 elections.

In a press statement, KMU chairman Crispin Beltran said there must be "total disruption" in military operations inside Subic and that the process of withdrawal and conversion of the bases must begin "irreversibly" by yearend to make it more difficult for the U.S. to intervene in the 1992 polls.

Antibases Senators Remain Firm on 1-Year Period

HK0710095191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 7 Oct 91

[Italicized passages in English]

[Text] Nine antibases senators remain firm in their position for a one-year withdrawal period as stipulated in the Ramos-Rusk agreement. Senate President Jovito Salonga said they want the American military troops pulled out by the end of this year or within the one-year withdrawal period.

[Begin Salonga recording—in progress] *...in the formula that I presented, it is a one-year formula.* I gave you the...[changes thought] *But if after one year, the Americans are very cooperative, then personally, they can go beyond one year in order to enable the Filipinos to operate the ship repair facility on a commercial basis. But that will need the conformity of at least 16 senators.* [end recording]

Salonga added that any agreement reached which exceeds a year withdrawal period should be covered by a treaty or international agreement, which should be supported by 16 senators. At the same time, Salonga ignored Malacanang's insinuations against him regarding his views on the former's three-year military bases pullout proposal.

Simbulan: U.S. Admits Violating Constitutions

HK0710115591 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 7 Oct 91

[Text] The U.S. Government itself admits that it violates the laws of countries to push for implementation of military agreements. According to Roland Simbulan, of the Nuclear Free Philippines, U.S. negotiator Richard Armitage himself declared before the U.S. Congress that the United States gives more respect to international treaties it enters into, over the countries' constitution, such as in the case of the Philippines.

Nuclear Free Philippines also criticized President Aquino for defending foreign interests by insisting on a three-year withdrawal period for U.S. military facilities from the country.

Grace Period Way 'To Interfere' With Polls

HK0710101491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 7 Oct 91

[Text] Attorney Romy Capulong, chairman of the People's Party [PNB], said the proposed three-year withdrawal period for the U.S. military bases in the country is a way for the Americans to interfere with the coming elections. According to Attorney Capulong, based on the PNB National Council resolution, there is no longer legal or constitutional basis for the U.S. military bases to remain in the country after the Senate rejected the ratification of the Republic of the Philippines-U.S. Treaty of Friendship, Cooperation, and Security. Attorney Capulong also said that the withdrawal period of the U.S. facilities must end with the current year so that the Americans cannot influence the coming elections. Here is part of the statement of Attorney Romy Capulong, PNB chairman:

[Begin Capulong recording] Regarding the talks on the withdrawal formula, we see it as a way to legally extend the 1947 U.S.-Philippine Military Bases Agreement. And this will give way for the United States to have a more active and blatant interference in our 1992 elections. You can see that it seems the intention of those who advocate the so-called withdrawal formula to want it to be long in order to reach beyond 1992. They say that it was just a withdrawal formula but the truth is, it is an illegal extension and they want to make the military bases an issue and get big support from the United States for the 1992 elections. [end recording]

Saguisag Says U.S. Troops May Stay Beyond 1994

HK0810023691 Manila PHILIPPINE DAILY INQUIRER in English 8 Oct 91 pp 1, 14

[By Tony S. Bergonia]

[Text] American troops can stay beyond 1994 if the Philippine government approves a three-year withdrawal period, Sen Rene Saguisag said yesterday.

Saguisag, the principal author of a Senate resolution calling for a three-year U.S. pullout, said there is no guarantee a new administration would follow an agreement approved by the present.

"That is a stupid question," Saguisag said when asked if the troop withdrawal would be irreversible.

"Whether it is agrarian reform, taxes or budget, no Senate says this is something the next administration cannot do, that this is permanent," said the senator, who voted with 11 others last Sept 16 to reject a new base treaty.

"Even Constitutions can be changed," he added.

Nine of the pro-base senators and three of the anti-base senators, including Saguisag, signed in Malacanang last week a resolution allowing President Aquino to negotiate with the U.S. government an executive agreement giving the U.S. three years to withdraw from the bases.

Yesterday, President Aquino said she will push through with the negotiations despite threats from anti-base senators to bring the question to the Supreme Court.

"We are left with no recourse but to pursue this path for the sake of our suffering countrymen," Ms Aquino said in a press statement.

"I do not believe that it is necessary that the withdrawal of the U.S. should be done in such a manner as to cause us difficulty instead of fulfillment," she added.

Press Undersecretary Horacio Paredes said the government will send a diplomatic note next week inviting the U.S. to start discussions on the terms of the withdrawal. The note was drafted after a meeting of top officials of the Department of Foreign Affairs, Armed Forces of the Philippines and the Department of National Defense.

The officials agreed that the withdrawal period started last Sept 17 and that it will end on Sept 17, 1994, Paredes said.

Executive Secretary Franklin Drilon will start meeting with individual senators today to get their inputs on the terms of the withdrawal.

Paredes said there was no need at this point to serve a new notice of termination since the negotiations for a three-year withdrawal period would give enough time for the U.S. to pack up.

Anti-base senators led by Sen Wigberto Tanada have warned that Malacanang's plan to give the U.S. troops three years to pull out is the same as an extension of the RP [Republic of the Philippines]-U.S. Military Bases Agreement, which requires Senate ratification.

Tanada said the move to conclude an executive agreement would open Malacanang to several legal challenges.

Ms Aquino said she was saddened by the anti-base senators' threat as she wanted to include their inputs in the withdrawal agreement.

Opposition to the agreement would "only preclude our ever finding any basis for unity in our negotiations with the U.S." she said.

Ms Aquino explained that the agreement is meant to minimize the disruptive effects of a U.S. pullout on the local economy and give Filipinos enough time to undertake the conversion of the base lands.

Saguisag last week justified his proposal for a three-year pullout by saying it will be an irreversible process.

Yesterday he told reporters: "Why do you ask what a generation can assure the next? No one can do that. Even I am not sure if I would be alive tomorrow."

He said there was nothing the Senate could do "if the people wanted slavery."

Saguisag also said approval of the three-year withdrawal plan would allow anti-base senators who have political ambitions to present a "kinder" image to the electorate.

He said there was no doubt in his mind an abrupt pullout would aggravate the suffering of victims of continuing mudflow from Mount Pinatubo's eruption and that allowing a three-year pullout would be reasonable.

"By appearing to be reasonable, the electorate could be kinder to the anti-(base) group," said Saguisag, who has announced several times that he would not seek reelection.

But Sen Ernesto Maceda said, "The perception of a majority of the electorate is that the people have fully accepted the total rejection of the treaty."

Senate President Jovito Salonga, Senators Aquilino Pimentel Jr, Juan Ponce Enrile and Tanada have described the withdrawal plan as a "virtual extension" of the bases agreement.

They said the pullout formula would be another treaty which requires approval by at least 16 senators.

To be constitutional, a pullout agreement must ensure that all U.S. combat troops and weapons would be out of the Philippines before the end of the year, they said.

Official: U.S. Should Clean Up Nuclear Waste

HK0810044591 Manila PHILIPPINE DAILY INQUIRER in English 8 Oct 91 pp 1, 14

[Text] Environment and Natural Resources Secretary Fulgencio Factoran Jr. yesterday said the United States government should start "cleaning up" Clark Air Base to determine whether or not there ar nuclear wastes in U.S. military bases in the country.

In the Senate, Sen. Leticia Shahani said she will ask the military to brief the senators on the number of U.S. combat troops and weapons at Subic Naval Base to help them decide a timetable for an orderly withdrawal.

Shahani proposed that Armed Forces Chief of Staff Maj. Gen. Lisandro Abadia and Defense Secretary Renato S. de Villa be summoned for the briefing that would determine if there was a basis for the proposal that U.S. troops and weapons be pulled out by the end of this year.

Shahani made the proposal after several anti-treaty senators firmed up their support for a withdrawal formula that would provide for a pullout of all U.S. combat troops and weapons by the end of 1991.

Shahani said there may not even be combat troops at Subic. "From what I know, (Subic) is only a supply depot," she said.

In an interview with reporters, Factoran said a diplomatic move was needed if nuclear wastes were proven to be present in the U.S. bases.

"We don't feel confident and capable of cleaning up nuclear waste," Factoran said, adding that the United Nations Environmental Program might provide technical assistance to determine the possibility of nuclear wastes.

DENR [Department of Environment and Natural Resources] Undersecretary Delfin Ganapin earlier asked the United Nations Conference on Environment and Development for assistance in case of nuclear contamination.

He added that the government lacks the capability to monitor, investigate and assess toxic wastes in special cases like that of the U.S. base facilities.

Ganapin said there was also an immediate need to check toxic wastes being dumped in the Philippines by developed countries through private firms.

Senate President Jovito Salonga said earlier that the anti-treaty bloc would block a Malacanang-endorsed three-year withdrawal formula if U.S. troops were not asked to leave by year's end.

But Shahani said that as of Friday, when she met with Executive Secretary Franklin Drilon, the Palace was expecting three more senators to approve the three-year formula aside from the 14 who have already agreed to it.

"(Three years) is a number which we in the Senate have found to be the best solution," Shahani said. "One year is too abrupt."

Salonga, however, said that nine anti-treaty senators have remained "firm on their one-year stand," with Senators Wigberto Tanada, Juan Ponce Enrile and Aquilino Pimentel linking arms in a symbolic pledge to stick to their position.

Once submitted to the Senate, Malacanang's withdrawal formula will be referred to Shahani's committee, which will schedule public hearings on the issue.

Manila To Convert Wallace for Industrial Use

HK0810043791 Manila BUSINESS WORLD in English 8 Oct 91 p 10

[By Marra Liza A. Solano]

[Text] The conversion of Wallace Air Station in San Fernando, La Union for industrial and commercial use, instead of into a military post, will likely proceed.

Trade and Industry Undersecretary Gloria M. Arroyo told BUSINESS WORLD President Aquino issued last August 30 a memorandum order creating a committee to review the proposal of the provincial government of La Union to develop the air-defense radar station into an industrial-commercial complex.

The five-man committee is chaired by the secretary of health, who is also Cabinet officer for regional development (CORD) for Region I. The other members are the governor of La Union and a representative each from the departments of national defense and trade and industry and the National Economic and Development Authority [NEDA].

Ms Arroyo said Defense Secretary Renato de Villa has assured La Union Governor Joaquin Ortega that the military is interested in just securing the place after the withdrawal of U.S. troops from the area. Mr de Villa had indicated that the 500-acre estate will be turned over to the provincial government once a relocation site has been found for the radar facilities.

Ms Arroyo also added the lease contract of Voice of America will be expiring soon. Communication facilities of the radio station currently occupy a portion of the estate.

In his letter to Mrs Aquino dated July 3, 1991, Gov Ortega wrote that the development of Wallace Air Station into an industrial-commercial complex will "benefit not only the province and the region, but the country as well."

Incorporate in RIC

The plan is to incorporate the project into the Regional Industrial Center (RIC) program for Region I. La Union has been chosen as the RIC for the region.

The governor had earlier formed a study committee composed of local government officials and representatives from the DTI [Department of Trade and Industry], NEDA, Philippine Ports Authority and the Philippine Navy. The group recommended four alternative development schemes for the air station, namely the conversion of the area into an industrial center, tourism center, government center or a combination commercial-residential center in the mold of Makati.

Converting the air station into an industrial center seems the most ideal given its strategic location. It is situated in the northern tip of La Union, overlooking the China Sea. A study made by a Japanese group shows that the international container port project, which is also included in the RIC plan for Region I, is best suited to be located in the area.

Ms. Arroyo said Wallace Air Station may be considered as an alternative site to Bacnotan, where First Philippine Holdings Corp. is planning to develop the first industrial estate in La Union. She said the camp site will likely be bidded out to the private sector for development since the Government does not have the funds to finance the project.

A group of prospective investors has already expressed interest in developing the site. Dames and Moore International, Inc., a Washington-based consulting firm, is studying the possibility of locating its $1.7-billion Poro Point Export Processing Zone Development project. Leightons Asia of Hong Kong and several other foreign companies are also involved in this project. The group has invited College Assurance Plan, a pre-need firm, to join the consortium as the local partner.

Senators To Be Consulted on Note to U.S.

HK0810052191 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 8 Oct 91

[Text] Executive Secretary Franklin Drilon is slated to meet with senators to solicit their suggestions regarding other items which may be included in the diplomatic note. [sentence as heard] The details of the withdrawal negotiations have not yet been approved and the composition of the Philippine withdrawal negotiations panel has not yet been selected.

Meanwhile, antibases hardliners in the Senate insisted that the United States should already stop using Subic Naval Base for any military operations. Jojo Ismael for details:

[Begin Ismael recording] The nine hardliners led by Senate President Jovito Salonga have declared that American servicemen should no longer be given special priviledges such as exemptions from tax, immigration, and criminal laws of the country. They also asserted the position that the American military components should be totally withdrawn already from Subic before this year ends.

On the part of the pro-bases forces, Senator Leticia Ramos Shahani, the chairperson of the Senate Foreign Relations Committee, believes that the Department of National Defense and the Armed Forces of the Philippines should clarify the veracity of the pro-bases [as heard] advocates' allegations that there are U.S. combat forces inside Subic. She said that there are no U.S. troops in Subic because the base is only a huge supply depot. On the special privileges of American servicemen, she said those may still be granted to existing servicemen but should not be extended to forthcoming servicemen. [end recording]

Practicality of Shortened U.S. Presence Viewed

HK0810044091 Manila THE CHRONICLE in English 8 Oct 91 p 4

[Editorial: "Gorbachev response makes U.S. bases here redundant"]

[Text] President Mikhail Gorbachev's announcement on Sunday of sweeping reductions in Soviet nuclear weapons on land and sea makes more redundant the long-term maintenance of overseas military bases, including those of the United States in the Philippines. The statement was in response to the initiative of President Bush who on Sept. 27 announced unilateral extensive reduction of weapons "affecting every aspect of our nuclear forces—on land, on ships and on aircraft."

With this quick response by the two superpowers, which between them hold in their arsenals the bulk of nuclear weapons in the world, the momentum for nuclear disarmament has been given a quantum leap in just a matter of weeks. Directly relevant to the Philippines is that both initiatives have demonstrated emphatically that the nation is on the right track in negotiating for a short-term U.S. presence—i.e., a three-year period of withdrawal of U.S. forces and facilities from the Subic naval base.

Since the rejection by the Senate on Sept. 16 of the draft treaty which proposed to extend the U.S. lease on the bases for another 10 years, events have changed so drastically that the treaty itself looks already dated and anachronistic. The sense of timing of the rejection, therefore, is perfect. It has moved within the main current of events which are sweeping overboard assumptions about regional security anchored on the Cold War balance of power. Truly, the last vestiges of the Cold War are being wiped off the slate of a new international order.

In his initiatives, President Bush ordered, among other things, the removal of nuclear warheads from surface naval vessels and from short-range launching sites whose main target is the obliteration of the Soviet Union from the face of this planet. In response, President Gorbachev announced an even more sweeping dismantling of nuclear weapons. Directly relevant to the U.S. bases in the Philippines is his announcement to remove all tactical nuclear weapons from ships and multipurpose submarines, as well as from land-based navy planes, and store them at centralized warehouses where "some of them will be liquidated."

He asked the U.S. to "fully liquidate, on bilateral basis, all tactical nuclear weapons of the navy" and from battle ready air forces.

The removal of missile warheads from surface naval vessels makes redundant the Philippine constitutional provision banning the storage of nuclear weapons on U.S. bases in this country and the presence of nuclear weapons on warships either based on Philippine soil or calling at our ports. There will no longer be a need for the U.S. to either confirm or deny that its warships visiting ports carry nuclear weapons.

Now, the nationalists can sleep well, without having to worry about violations of the Constitution. This goes to show how a Constitution can be made irrelevant and redundant by events. More important, the sweeping changes on the international horizon can easily render obsolete, inflexible and cumbersome a Constitution that spells out so many details and that is written like a municipal ordinance.

Pretty soon, the provisions on the nuclear ban will become a burdensome baggage with as much life as a carcass in the desert. Events have robbed the archane nationalists, who have never departed from the context of the Fifties and the Sixties, of an argument with which to bash foreign powers. Rigid doctrines tend to imprison their adherents, such that they have always been left behind and unable to respond to change.

The madness and folly of maintaining huge nuclear arsenals, a fraction of which could destroy the earth and human civilization, are being shown in the recent events in Eastern Europe and the Soviet Union, both of which have undergone profound political upheaval during the past two years. The Warsaw Pact has crumbled. In the Soviet Union, for example, following the failed August coup, the explosion of independence and autonomy tendencies in the union's 15 constituent republics has become a problem in regard to centralized control of nuclear weapons. The danger has arisen that, without such control, the republics where nuclear weapons are stored can gain access to them, creating problems in control of these nasty weapons. This has become as much a problem for Mr. Gorbachev, who is trying to rebuild a semblance of a centralized defense policy and system after they were reduced to a shambles by the failed coup, and for the U.S. and its Nato allies. There is, therefore, a domestic reason, as far as the Soviet Union is concerned, for Mr. Gorbachev's response to disarmament initiatives. Another reason, of course, is that huge sums spent for defense can be diverted to rebuilding the parlous Soviet economy.

As far as the Philippines is concerned, the events have shown that the logic of international events favors the three-year withdrawal arrangement. Having been pushed into the tidal current, it would be foolish to resist it. In this perspective, the internal debate over whether the new arrangement would be expressed in a treaty or executive agreement looks so petty and provincial. Surely, there's a way to go around this.

Enrile, Maceda Withdraw Objections to De Villa

HK0710110891 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 7 Oct 91

[By Jojo Ysmael]

[Text] Philippine Broadcasting Service News learned that Senate Minority Floor Leader Juan Ponce-Enrile and Senator Ernesto Maceda have withdrawn their objections against President Aquino's appointment of Renato de Villa as the new secretary of the Department of National Defense.

The senators' change of position is believed to be an effort to pacify the military establishment after the Senate's rejection of the Treaty of Friendship, Cooperation, and Security led to the loss of financial support for the military's modernization program.

Meanwhile, Senator Mamintal Tamano, chairman of the Senate Defense and Security Committee, expressed irritation with De Villa after the latter continuouly neglected to submit the necessary documents to process his appointment.

Rebel Soldiers Given Until 8 Oct To Return

HK0710031291 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 6 Oct 91

[Text] General Lisandro Abadia, chief of staff of the Armed Forces of the Philippines gave rebel soldiers with safe-conduct passes until 8 October to return to the control of the military. The four rebel soldiers were given safe-conduct passes to hold talks with former Colonel Gregorio Gringo Honasan's group. The source refused to reveal the names of the three [number as heard] officers. The officers were given safe-conduct passes so that they could leave and enter Camp Aguinaldo without delay because of their mission to investigate the possibility of holding peace talks between the leaders of the Reform the Armed Forces Movement-Soldiers of the Filipino People-Young Officer Union and the government.

Group Accuses Mitra of Peace Talk Politicking

HK0710052891 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 6 Oct 91

[Text] The Revolutionary Nationalist Alliance accused House Speaker Ramon Mitra Jr. of using rebel soldiers to further his ambition to be president of the country in 1992. Sources from the Armed Forces of the Philippines said the rebel soldiers were discouraged to continue their dialogue with Mitra because it seems that the House Speaker was only doing this because he is a presidential candidate in the coming election. The sources stressed that the reason the group of former Colonel Gringo Honasan and former Commodore Domingo Calajate talked with Mitra was because they wanted to request something political which only Congress can give. Included in the request from Honasan are counting votes of those protesting candidates who lost in elections, holding a clean election, and other topics related to elections. The group of Honasan expressed discouragement after the House leader made posters to be used in his campaign in the 1992 election showing him with two other rebel leaders.

Military Rebels' Peace Talks Failure Denied

HK0810105391 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Oct 91

[Report and recorded interview of Chief of Staff General Lisandro Abadia by Fernan Imberga of DZRH Unit No. 22 and Johnny Francisco; italicized passages in English]

[Text] An ambush interview with Armed Forces Chief of Staff General Lisandro Abadia, after he attended the 15th anniversary of the Armed Forces of the Philippines [AFP] Retirement and Separation Benefits System, an organization of retired officials, has just concluded.

In this connection, Chief of Staff General Lisandro Abadia denied a report that the negotiations between the AFP emissaries and the rebel leaders group, led by renegade Colonel Gringo Honasan, bogged down due to the meddling of some politicians. Abadia stressed that the peace negotiations are still continuing and that there is no truth to the rebel soldiers' criticisms on the meddling of politicians, particularly House Speaker Ramon Mitra Jr., in the said negotiations. In fact, according to Mitra, he has just met this afternoon with his designated intermediary, Colonel Red Kapunan; and they discussed certain demands of Honasan's group.

Abadia also announced that four rebel soldiers, including a major and three captains who were granted safe conduct passes, have already returned to the fold of law.

Here is part of our ambush interview with Chief of Staff General Lisandro Abadia:

[Begin recording] [Abadia] None. *It is still on-going. I just certified awhile ago in the Senate regarding this peace initiative.* The meeting was okay.

[Imberga] Are they, are there officers [word indistinct]?

[Abadia] None yet. Only the lower ranking soldiers like captains and lieutenants.

[Imberga] When will the four return?

[Abadia] They are already here. We are just keeping them.

[Imberga] Some emissaries, like Speaker Mitra, expressed fears that the negotiations might bog down ...

[Abadia, interrupting] No, no ...

[Imberga, interrupting] It is not a sabotage? Some military officials are said to be sabotaging the talks.

[Abadia] No, no such thing. *The negotiations will go better.* I just talked to the intermediary. [end recording]

Those were Chief of Staff General Lisandro Abadia's statements during the ambush interview in Camp Aguinaldo.

Cease-Fire Proposed To Help Hostage Release

HK0710052091 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 6 Oct 91

[Text] Rebels from the New People's Army [NPA] proposed a week-long cease-fire in Northern Luzon to make way for the release of the seven members of the police and six soldiers of the Philippine Army which they hold hostage. The offer to release the 13 hostages was mentioned in a report signed by Noli Libertad, spokesman of the National Democratic Front in Northern Luzon. The proposed cease-fire by the NPA guerrillas was made after the massive military operation in Marag Valley where 1,500 rebel soldiers operating in Cordillera were reported to have been held captive in the area. Libertad asserted that the 13 prisoners of war are in good condition. Libertad appealed to the government to act immediately on the proposed cease-fire, particularly in Marag Valley and Kalinga-Apayao. Of the 13 hostages, four members of the police were identified as Mario Garcia, Arsenio Kilban, Rogelio Gosiong, and Rogelio [illegible]ambid. They were captured last July after an NPA attacked in Mountain Province.

Thailand

Anan on 'Possible' Rally During IMF Meeting

BK0810075691 Bangkok Radio Thailand Network in Thai 0530 GMT 8 Oct 91

[Text] At Government House this morning, Prime Minister Anan Panyarachun answered reporters' questions about the forthcoming annual meeting of the World Bank and International Monetary Fund.

Responding to recent comments by academics that the World Bank and IMF meeting is an affair of rich people and that it would not benefit the poor, the prime minister said such remarks were made by academics who neither are involved in nor gain any benefit from the forthcoming meeting.

On security measures for the meeting, Anan said that all agencies concerned have already coordinated with each other.

Asked about the controversy concerning the juridical institutions and the appointment of the Supreme Court president, the prime minister declined to give an answer saying that he did not want to create any repercussions on such institutions.

To the question about possible political movement during the period before or during the World Bank meeting, the prime minister said if a political rally is staged in a manner such that it does not affect public peace and order, does not cause damage to other's property, and is carried out within a legal framework, then there should be no problem.

Anan Urges Development of U-Taphao Airport

BK0610013091 Bangkok THE NATION in English 6 Oct 91 p A1

[Text] Prime Minister Anan Panyarachun said yesterday he expects the Royal Thai Navy (RTN) and the Eastern-Seaboard Office to iron out their differences on a master plan to develop part of the U-Taphao military facilities into a commercial airport before his government goes.

The new commercial airport should be manged by professionals and not by the military, he said after a visit to the site.

The military, he said, can sit on the board of a new organization to be set up to operate the commercial airport.

At the least, the two agencies should be able to agree in principle on the relocation of military facilities and the future management of the new commercial airport within five months, he said.

He said that the new airport should be able to start its operations within one or two years after agreement is reached because most of the facilities were already there.

The premier also suggested that this airport should have different responsibilities from those of Don Muang International Airport. The new commercial airport should be given the major responsibility to handle air cargo and chartered flight services, he added.

Unlike Don Muang Airport which has already become the established centre for passenger flights, U-Taphao must develop itself in a different direction so it would become attractive for potential clients, he said. A survey should be conducted to find out how many of them would be interested in moving to the new place, he said.

"Marketing is a very important factor for this airport's commercial viability because it simply cannot rely on regular passenger and cargo flights like Don Muang," he said. Because of that, he contended, professionals should be employed to run the management of the new commercial airport.

The RTN must consult with the government on the marketing plan for the new airport, he said. If more area was to be set aside for the construction of new buildings at the airport, the government would be ready to fund the additional costs, he said.

The project to develop part of U-Taphao military facilities into a commercial airport was initiated under former premier [General] Gen Prem Tinsulanon. In 1978, his government invested Bt156 [bhat] million in installing facilities to accommodate air cargo and chartered flight services at U-Taphao. But the businesses operated in the red.

The previous Cabinet of Gen Chatchai Chunhawan later revived the project by assigning the RTN to carry out the project and manage the airport.

The plan was shelved as a result of the Feb 23 coup.

Navy Chief of Staff Adm Sorawut Maharom said that the RTN agreed in principle to the plan to commercialize part of U-Taphao. But he said the RTN had to be cautious with the details of the plan because U-Taphao is now the only major airbase capable of being used in the defence of eastern Thailand.

"If the matter was not well handled, our national security could be affected," he said.

Sorawut was apparently implying that the RTN still wanted to play an important part in the management of the new airport.

Air Force Chief on New Planes, U.S. Bases

BK0510090191 Bangkok THE NATION in English 5 Oct 91 p A5

Second installment of "Excerpts" from 1 October interview with Air Chief Marshal Kaset Rotchananin, Air Force commander in chief, by Somphong Kittinaradon, Adisak Limhrungphathanakit, and Kokhet Chantaloetluk from the NATION and a team from the DAILY NEWS]

[Text] Q: What are the latest developments at the Royal Thai Air Force?

A: We are emphasizing the development of both our personnel and our air combat capability. We've done that by acquiring new planes, especially for the past three to four yers. We also had a plan to upgrade two squadrons of our F-5 EF jets to modernize its weaponry and survival equipment. The project has been accomplished this year.

We think they are worth the investment.

Q: Is it necessary for the Royal Thai Air Force to buy new aircraft to replace the old ones?

A: Old aircraft must be replaced when the time comes. They are T-33 aircraft, OV-10 airplanes which we may not decommission as yet. In fact the OV-10 aircraft are meant for reconnaissance and not for combat but we had them modified to arm them. Then there are the A-37 jet fighters due to be decommissioned next year. But we are considering the possibility of extending their life by having some of their parts rebuilt. We have asked a South Korean firm to inspect our aircrtaft and estimate how much would be needed to refurbish the aircraft. However, we have yet to decide which would be more worthwhile to refurbish or buy new aircraft.

For new aircraft, apart from the first squadron of F-16 A/B jet fighter-bombers which are already operational, the Chatchai government had already allocated Bt1 [baht] billion as the first instalment payment for the 1991 fiscal year. We are now waiting for the US administration to approve the sale of the aircraft to Thailand. The approval has been delayed by the Feb 23 coup. However, the US side recently reaffirmed that it would probably release the new squadron of jets to Thailand within this month.

We have the government's commitment to our Bt13 billion plan to purchase the second squadron of the F-16 jets to strengthen our air defence for the South.

As part of the scheme, I have sent a squadron of F-5 jets to the South. And the new squadron of F-16 which is expected to total 18 aircraft would also be posted to there.

Right now we are in the process of negotiating the terms of payment with the US. If the government approves it, then we would sign the contract.

Q: Has the request for the Bt13 billion appropriation won approval from the Thai government?

A: The budget will be allocated on a yearly basis. The first portion of Bt1.2 billion has been set aside for 1991 and the second appropriation would be drawn from the 1992 fiscal year budget. The amount would depend on the terms of payment to be worked out in the negotiations with the US government.

Q: Apart from F-16's, are there any new aicrcraft the Royal Thai Air Force plans to purchase? I understand AMX aircraft are also part of the replacement plan?

A: Well, a new squadron of F-16 jets would be among the three new ones which we need to replace the three old squadrons (made up of T-33, OV-10 and A-37). The AMX procurement plan has been approved in principle by the previous administration. But it has not won approval form the present government.

Well we understand that the nation's economy might not be able to take such spendings in one stroke, so we have worked out a plan for the payment to spread over a long term period of 10 years (for two squadrons of AMX planes).

Our F-5 A/B jets are also very old, about 20 years now, but they still perform effectively because of good maintenance. Other air forces have decommissioned the aircraft.

Q: Why does the Air Force need to buy the AMX strike aircraft?

A: Well, we need more strike aircraft and we have reached a conclusion after careful consideration that AMX is the one we need. At first we considered the German-made Tornado jets but they are very expensive, about $70 million each. Then we studied strike aircraft in a lower range of prices. The choices are limited. We have looked over the Hawk-200 aircraft and the Italian-made AMX, which costs about $14-15 million each.

Q: Why does the Air Force emphasize the South in its air defence modernization programme?

A: We want to increase the ability to protect our Southern coastline which covers both the Andaman Sea and the Gulf of Thailand. And Surat Thani is at the centre.

Whether we would get the two squadrons of AMX strike aircraft would depend on the government. But we are talking in terms that the air force is the decisive force in modern warfare. No matter how strong the ground and the naval forces would be, ultimately the air force would deliver the knock-our blow. If we compare our air force with that of Vietnam, there is a sharp difference.

Q: Could you spell that out?

A: Well, Vietnam has about 500 jet fighters while we have only a few squadrons of F-5's and a squadron of F-16 jets which are our main forces. The ratio is five to one.

We know that we have budgetary constraints under the present economic situation. But the budget of Bt19 billion (to finance the AMX programme) would be spread over 10 years. It comes to about Bt2 billion a year and that should not be too much for the government to pay.

Q: Has the government give an official response to the Air Force's request for the defence spending package?

A: Not yet. The request has been shelved at the security-affairs screening committee (chaired by Deputy Prime Minister Pol [Police] Gen Phao Sarasin).

But this should not be an issue because the Chatchai government had approved it in principle.

Q: How much is the total defence budget requested by the three Armed Forces and the Supreme Command?

A: It's about Bt50 billion for the three armed forces and the Supreme Command. Of the amount, the Air Force is asking for a total of about Bt19 billion, which we plan to spend over a period of 10 years.

I don't think this amount is too much for the government given the long payment period. It would result in increased defence capability for our country.

If we did not propose it and anything untoward happened to our country, then we would be blamed for it.

Q: How long could the Armed Forces wait for the budgetary approval from the government?

A: Pending the approval, we would continue to develop our forces from our normal budgets but it would take a long time.

Q: Have you discussed the matter with the prime minister?

A: The prime minister told us that the government would support the development of the military's forces within budgetary ceilings acceptable to the administration. I asked him what if one day Thailand met the same fate Kuwait had experienced. Kuwait was one of the richest countries in the world but it almost went bankrupt over night when Iraqi troops invaded the country, triggering the devastating Gulf War.

Sovereignty cannot be bought by wealth if and when the crunch comes.

Q: What is your opinion on the possible US military withdrawal from the Philippines?

A: The US withdrawal is now definite. As a matter of fact, the people there want the Americans to stay on because firstly, the United States is giving huge assistance to the country and secondly tens of thousands of Filipinos are working for the Americans at the Subic naval facilities and the Clark air base. They would become jobless as a result of the pullout.

My opinion is that the withdrawal could bring about security problems to the Philippines because of the possible resurgence of communist activities. I think the country would be in a very difficult situation, partly because of political turmoils and partly because of its sinking economy.

Q: What if the US asked for permission to use military bases in Thailand? What is your opinion on the scenario?

A: Well, we have to consider that very carefully, taking into account the terms they would offer and the benefits we would gain in exchange. For instance, whether they want to use the facilities on a permanent or temporary basis. You know they are already using the U-Tapao facilities on a case-by-case basis.

We also have to think hard about national interests. What if we reject the offer and Singapore jumped at it because the Island republic would consider the gains, including transfer of technology from the US.

For national interest, we have to carefully study the issue. If it is worthwhile, we should accept it. If it's not, why should we allow them to stay here?

We also have bases which we do not utilize now, including the huge Nampong base in Khon Kaen and the one in Nakhon Phanom

Editorial Seeks Speedy End to Corruption Probe

BK0810021291 Bangkok THE NATION in English 8 Oct 91 p A8

[Editorial: "Ignore All Distractions, Wrap Up the Probe Quickly"]

[Text] For a while last month it looked like the Sit committee, charged with looking into alleged corruption in the Chatchai administration, would land no big fish after all. There was speculation that all of the 13 politicians asked by the committee to defend their enormous wealth would all be able to clear themselves.

Deposed premier Gen [General] Chatchai Chunhawan, one of the 13, who came back from self-imposed exile in London to assess the situation here, planned to return to England on Sept 24 and wait for the new constitution to be promulgated. But he had to abruptly postpone his trip after the Sit committee disclosed its discovery of mysterious gift cheques—worth over Bt1 billion in total—issued directly or indirectly to many of the 13.

It's a new ball game now. The Sit committee seems confident that these gift cheques could be used as "evidence" of bribery from the givers, who were mostly big Thai businessmen and reputable firms doing business with the government. The Sit committee has also found what it believes is money laundering patterns in which cash from the gift cheques was transferred to various innocuous third parties before the money eventually ended up in the accounts of the intended receivers.

Could the gift cheques be merely political "contributions" to these politicans? Some of them probably were just that. But others looked doubtful as the money took quite some time going through third parties before reaching the intended receivers.

Well they could be plain "innocent gifts" given out of pure affection, as some supporters of these 13 actually claim. If this were the case then both the givers and the receivers showed an extraordinary degree of caution about trying to hide the "gifts": from outsiders. In any case, it is still unethical for politicians in power to accept "gifts" from those doing business with the government.

The 13 will have another chance to explain their relations with these gift-givers sometime next month. After that the Sit committee is expected to come up with a final ruling on which of the 13 will have which part of his assets seized by the state.

The politicians and their supporters are claimouring for a transfer of power to mete out the final ruling from the Sit committee to the courts. In other words they want the court to hear their cases under normal due process of law. This call has the backing of Air Force Commander ACM [Air Chief Marshal] Kaset Rotchananin, a deputy chairman of the National Peacekeeping Council [NPKC], who of late seems to have unusual affection for senior Chat Thai politicians. This despite the fact that during the Feb 23 coup, ACM Kaset and his air force commandos played a key part in seizing Chatchai and his entourage at Don Muang military airport.

The 13 politicians and their supportes note, quite correctly, that the Sit committee had obtained evidence through extrajudicial means and members of the committee were hand-picked by military leaders on the NPKC after the Feb 23 coup, which toppled the Chatchai administration. Most foreign banks refused to cooperate with the Sit committee because of its extrajudicial power as given in an NPKC decree.

However, under the Interim Constitution, all the NPKC decrees are laws of the land; thus the Sit committee's legitimacy is indisputable in the legal sense. And whether or not the Sit committee is independent and just depends on one's individual beliefs. Doubters can always say that the coup and the Interim Constitution written by the NPKC's men were objectionable and thus the the Sit committee is no more acceptable. They can even say that some of the NPKC leaders are not much different or better than the 13 in the eyes of the Thai public and foreign diplomats in Bangkok.

We believe the investigation into the wealth of the politicians serves one useful purpose: to give the politicians in question a chance to defend themselves and clear their names once and for all. The Sit committee should ignore all distractions and try to speeed up its work so that it can make a final ruling before the promulgation of the new constitution expected before the end of this year.

At the same time Army Commander Gen Suchinda Kraphrayun, another NPKC deputy chairman, should reassure the Sit committee of his personal support for the investigation, which was the NPKC's idea from the start. Many junior investigators on the committee reportedly are struggling to cope with mounting pressure, they are not sure whether the NPKC still wants to see and show the public the real findings of their investigation.

As far as Gen Sit Chairarot, head of the Sit committee, is concerned, the investigation will continue at full speed. More mysterious gift cheques may soon be unearthed and clearer money laundering patterns found.

If one is bothered by the lack of "full" legitimacy of the Sit committee, one should weigh the integrity and credibility of the former interior minister leading it with that of any one the 13 politicians on the hook. Sit emphasizes that he is using dhamma, the teaching of Buddha, as the guiding power in this unenviable task. We have no reason to suspect that his use of power will be unjust, as we believe his integrity and credibility is far superior than any of the 13, no matter how one looks at it.

The 13 have every right to call for "justice" and due process of law. But the louder they shout, the more we suspect that these "justice-lovers" and "law-abiding men" have something to hide.

Rice Exports Increase in First 8 Months of 1991

BK0810043991 Bangkok Radio Thailand Network in English 0000 GMT 8 Oct 91

[Text] Thai rice export in the first eight months of this year totalled 2.7 million tonnes worth 20.04 billion baht. The figures represent an increase of eight percent in volume and 10 percent in value over the same period last year.

A report by the Department of Business Economics indicated that exports of high-grade rice were as high as 24 percent during the eight-month period.

Traditional markets for Thai rice are mainly Asian countries such as Malaysia, Hong Kong, and Singapore.

Major markets in the Middle East include Dubayy, Jordan, and Saudi Arabia.

Thai rice markets in Africa are Senegal, Mozambique, and Benin.

The report noted that the United States, which is one of Thailand's major rice export competitors, also imported 110,000 to 140,000 tonnes of Thai rice each year to meet the higher demand of Asian migrants in that country.

Vietnam

Anti-U.S. Bases Struggle in Philippines Hailed

BK0810085691 Hanoi NHAN DAN in Vietnamese 19 Sep 91 p 4

[Commentary: "The Struggle for National Sovereignty in the Philippines"]

[Text] On 16 September, the day the 1947 U.S.-Philippine military treaty expired, the Philippine Senate voted against a new treaty to allow the extention of the U.S. military presence in the country for another 10 years. If the two previous probing votes are taken into account, this is the third time that the Philippine Senate adopted a firm attitude by demanding the dismantling of U.S. military bases from the Philippines. This decision by the Philippine Senate conforms to the Constitution and meets the aspirations of a broad section of the people in that country.

Senator Enrile, former defense minister of the Philippines, said: "The Philippines is in the process of bringing to conclusion an issue which has long caused division in this country." Another senator described "the new treaty as a ridiculous thing" because "it is tantamount to maintaining the master-servant relations between the United States and the Philippines."

The history of U.S.-Philippine relations over nearly a century has been marked with many unforgettable events. In May 1898, a U.S. Naval fleet led by General (G. Dewy), sank a Spanish fleet in Manila, compelling the Spaniards to surrender and beginning a new era of U.S. colonialization of the Philippines. In July 1901, the first U.S. civil administration was set up in the Philippines under General (W.H. Tapps). In March 1942, Japanese troops stormed the Philippines. U.S. General McArthur was forced to flee the Philippines but declared he "would make a comeback." The Americans returned in 1944, driving the Japanese from the Philippines in 1945, and then setting up a neocolonist-style administration there. In 1947, Washington and Manila signed a renewable treaty by which the United States was allowed to continue its rent-free utilization for 99 years of Clark and Subic Bases and other small bases with a total area of 200,000 hectares. This unjust treaty sparked strong protests among various strata of the Philippine people, including those among the political circle.

After several phases of struggle, the Philippine people won one significant victory after another. In September 1966, the term of the lease for these bases was shortened from 99 to 25 years. In August 1979, the United States was compelled to recognize the sovereignty of the Philippines over these base areas. The area of these bases was later further narrowed down and the United States had to pay a small amount of money to the Philippines as land rent. In October 1986, the Philippine National Assembly passed a new Constitution, stipulating that after the expiration of the U.S.-Philippine treaty on 26 September 1991, U.S. forces will not be allowed to remain in the Philippines unless a new treaty on this matter is ratified by the U.S. Senate.

The Washington-Manila negotiations over a new military treaty lasted for 14 months and were dotted with tension. Finally, on 27 August, the foreign ministers of the two countries signed a new treaty by which the United States agreed to withdraw from Clark Air Base (which has been, in fact, already crippled by the disastrous volcanic eruption of Mount Pinatubo) and to pay 2.2 billion U.S. dollars in exchange for continued U.S. presence at Subic Naval Base until the year 2001. Unfortunately, this treaty failed to gain the support of two-thirds of the 23-member Senate. In reality, at the 16 September voting, as many as 12 out of 23 senators voted against the treaty. Philippine public opinion maintained that the new treaty is a violation against the Philippine Constitution. The presence of a huge U.S. arsenal, including nuclear weapons, at Subic Base constitutes a grave threat to the security and sovereignty of the country. U.S. soldiers in the base area have, on several occasions, caused social unrest. And even the amount of land rent is also not high enough. Many mass rallies and demonstations have been staged by a large number of people of various strata, demanding the removal of U.S. military bases from the Philippines. However, pressure from the force that wants to retain the U.S. bases is also not unremarkable. The Philippine president has led a mass rally with the participation of hundreds of thousands of people demanding that the Senate ratify the new treaty. Immediately after the Senate's rejection of the new treaty, the Aquino government advocated holding a referendum on the new treaty and extending by one year the deadline for U.S. troops to remain at Subic Base. Many Philippine senators promptly reacted by saying that President Aquino's intention to hold the referendum is an infringement upon the Constitution and they threatened to bring this issue to court.

Obviously, the presence of U.S. military bases in the Philippines is fuelling dissension and tension in the internal ranks of the country. The U.S. military presence here also has had a negative impact on the situation in the region and the world. Public opinion in Southeast Asia is worried about the presence of the United States' mass-killing arsenal at Subic Base as it constitutes a threat to peace and stability and an obstruction to the relations of friendship and cooperation between nations in the region. Everyone knows that it is from these bases in the Philippines that U.S. troops have made military interventions against many areas in the world.

Although the ant-U.S. base struggle in the Philippines is still going on, the Philippine Senate's decision to reject the new U.S.-Philippine military treaty is regarded as a manifestation of the epochal trend toward putting an end to external interferences and respecting the independence and sovereignty of the peoples of various countries as clearly expounded in the UN Charter. The Philippine people are not alone in this struggle as the people in other Southeast Asian countries have also expressed their frustration over the U.S. military presence in this region.

Hanoi High School Soccer Team Ends U.S. Tour

BK0510081291 Hanoi VNA in English 0617 GMT 5 Oct 91

[Text] Hanoi VNA October 5—The Hanoi high-school football team has left New York successfully concluding a ten-day friendly game tour of the United States as guest of Rev. Philip Cascia.

While there the team played five matches with American students in Connecticut and Washington with two wins and three draws.

The Hanoi high-school football team is the first sports team of Vietnam ever to be invited to visit the USA.

Minister Says Japan Lacks 'Positive Attitude'

BK0810152491 Hong Kong AFP in English 1203 GMT 8 Oct 91

[Text] Hanoi, Oct 8 (AFP)—Tokyo's policy toward Vietnam depends too much on "other countries" that are preventing Japan from realizing its enormous potential here, Vietnamese Foreign Minister Nguyen Manh Cam said Tuesday.

"Japan has not yet adopted a positive attitude," he said. "It still seems dependent to some extent on the attitude of other countries."

Tokyo's adherence to the U.S.-led trade embargo has prevented large-scale Japanese economic involvement in Vietnam, though many individual Japanese firms operate here.

"Like in relations with the United States, there have been some movements in our relations with Japan, but they have not developed in the way we—and the Japanese people—wish," Cam told foreign journalists.

"I think Japan, with its big economic potential, can contribute greatly to the development of the region," he said. "Development of relations between Vietnam and Japan will benefit not only the two countries but also the region."

Tokyo has set resolution of the Cambodian conflict as a condition for normalization with Vietnam, the main backer of the Phnom Penh government.

Washington has set two additional conditions: resolving the issue of missing U.S. servicemen and releasing reeducation camp inmates.

The difference in policy could be brought to the fore by the signing of a Cambodian peace treaty, scheduled for October 23. But Japanese diplomats here stress that Tokyo is eager to avoid antagonizing the United States, its most important ally.

"Vietnam is a big potential market, but it doesn't compare to the U.S. market," one Japanese diplomat said here recently.

PRC Party Officials Arrive in Hanoi 3 Oct

BK0310154191 Hanoi VNA in English 1429 GMT 3 Oct 91

[Text] Hanoi VNA October 3—A delegation of the international liaison department of the Communist Party of China Central Committee led by the deputy head of the department, Zhu Shangqing, arrived here today for a visit to Vietnam.

The delegation was welcomed at the airport by Trinh Ngoc Thai, deputy head of the External Relations Commission (ERC) of the Communist Party of Vietnam Central Committee.

Chinese Ambassador to Vietnam Zhang Dewei was among the welcomers. The same day, Hong Ha, secretary and head of the ERC of the CPV Central Committee, received the delegation.

Hold Talks With CPV Officials

BK0410151591 Hanoi VNA in English 1417 GMT 4 Oct 91

[Text] Hanoi VNA October 4—Talks were held here today between a delegation of the External Relations Commission (ERC) of the Communist Party of Vietnam Central Committee [CPV CC] led by Hong Ha, secretary of the CPV CC and head of the commission, and a visiting delegation of the International Liason Department (ILD) of the Communist Party of China Central Committee led by Zhu Shangqing deputy head of the department.

The two delegations informed each other of the situation of their countries and parties. They compared notes on the relations between the parties and mass organizations of the two countries as well as between the ERC and the ILD.

Chinese Ambassador to Vietnam Zhang Dewei was present at the talks.

The talks took place in an atmosphere of openness, friendship, and cordiality.

Received by Le Duc Anh 5 Oct

BK0610144991 Hanoi VNA in English 1405 GMT 6 Oct 91

[Text] Hanoi VNA Oct.6—Le Duc Anh, Politburo member and secretary of the party Central Committee, received Saturday the visiting delegation of the international liaison department of the Communist Party of China Central Committee led by Zhu Shangqing, deputy head of department.

Zhu Shangqing conveyed regards of the Chinese leaders to their Vietnamese counterparts. He said he believed that the visit would contribute to developing the relations between the two parties and peoples.

Le Duc Anh welcomed the results of the talks between a delegation of the external relations commission of the Communist Party of Vietnam and the Chinese delegation held in Hanoi a day earlier. He asked the guests to convey wishes for the best of health from the Vietnamese leadership to its Chinese counterpart.

Present at the reception were Hong Ha, secretary of the party Central Committee, and Zhang Dewei, Chinese ambassador to Vietnam.

Vo Van Kiet Interviewed on Ties With PRC

BK0510092391 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 4 Oct 91

[Text] Vo Van Kiet, chairman of the Council of Ministers, received Mr. (Joseph Clatine), a correspondent of the weekly ASIANWEEK, on the afternoon of 3 October.

Answering a question raised by the weekly about Sino-Vietnamese relations, Chairman Vo Van Kiet said: The restoration and development of the friendly and neighborly relations between Vietnam and China are compatible with the ardent desire and the interests of the two peoples. This is because both countries need peace and stability for national development.

The friendly and neighborly relations should be based on the principles of peaceful coexistence.

Not only will improved Sino-Vietnamese relations effect each country's relations of friendship and cooperation with other countries, but they will also contribute greatly and practically to regional peace, stability, and development.

The coming visit to China of a Vietnamese party-state delegation will mark a full normalization of Sino-Vietnamese relations and will open up a new page in the history of Sino-Vietnamese relations.

At present, Vietnam and China are promoting the exchange of relations between localities at the border in various fields—economic, trade, civil aviation, maritime, post and telegraph activites, and the like.

With regard to Vietnam's relations with the ASEAN states and other countries in the region, Chairman Vo Van Kiet said: In order to create favorable conditions for socioeconomic development, Vietnam will consistently maintain its policy of independence and sovereignty while diversifying its relations with all nations and international organizations, trying to promote equitable and mutually-beneficial relations of cooperation. As Vietnam's interests are linked with those of the region, it is Vietnam's particular concern to broaden relations with its neighboring countries in the region in an effort to achieve a new peaceful, stable, friendly, and cooperative Southeast Asia.

Chairman Vo Van Kiet also answered questions raised by the weekly on other issues regarding economic cooperation in the region.

Do Muoi Receives Visiting Lao Youth Delegation

BK0610053091 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 1 Oct 91

[Text] At the Communist Party of Vietnam [CPV] Central Committee guest house on 30 September, Comrade Do Muoi, general secretary of the CPV, received and held talks with the visiting Lao People's Revolutionary Youth Union [LPRYU] led by Mrs. Thongvinh Phomvihan, first secretary of the LPRYU Central Committee.

Attending the meeting were Ha Quang Du, first secretary of the Ho Chi Minh Communist Youth Union [HCMCYU] and members of the HCMCYU Secretariat.

Comrade Thongvinh Phomvihan briefed General Secretary Do Muoi on activities and achievements scored by the LPRYU in national construction and defense under the Lao People's Revolutionary Party [LPRP] leadership during the past period. She also asserted the unswerving friendship and close cooperation between the LPRYU and the HCMCYU.

In his cordial talk to the LPRYU delegation, General Secretary Do Muoi commended the LPRYU for its achievements in implementing the renovation undertaking of the Lao nation during the past period.

He said: In the face of the complicated international situation, youths of Vietnam and Laos should strengthen their unity, and firmly and persistently advance along the socialist path chosen by the parties and peoples of the two nations.

On this occasion, Comrade Do Muoi also conveyed his kind regards and best wishes to Comrade Kaysone Phomvihan, general secretary of the LPRP.
n 'Near Future'

BK0710111491 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 7 Oct 91

[Text] On 7 October, our Ministry of Affairs issued the following communique:

Comrade Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party Central Committee and president of the Lao People's Democratic Republic, will pay an official friendship visit to our country in the near future at the invitation of Comrade Do Muoi, general secretary of the Communist Party of Vietnam Central Committee, and Comrade Vo Chi Cong, chairman of the Council of State of the Socialist Republic of Vietnam.

Protection of Vietnamese in Germany Urged

BK0410153391 Hanoi VNA in English 1422 GMT 4 Oct 91

[Text] Hanoi VNA Oct. 4—A representative of the Vietnamese Foreign Ministry recently met a representative of the embassy of the Federal Republic of Germany in Hanoi to draw his attention to the recent attack by some elements on the residential quarters of foreigners including Vietnamese citizens in Germany, and ask for measures to protect the Vietnamese citizens in the FRG.

The German representative assured the Vietnamese side that the attack was conducted by a number of extremists and the German Government will take necessary measures to prevent similar actions in the future.

More on Attacks on Vietnamese

BK0510140091 Hong Kong AFP in English 1335 GMT 5 Oct 91

[Text] Hanoi, Oct 5 (AFP)—The Vietnamese Foreign Ministry has summoned a German diplomat in connection with attacks on Vietnamese in Germany, Ambassador Jurgen Elias said Saturday. "They didn't convoke me, they convoked my deputy," said Elias, who declined to elaborate further. Vietnam's official press has carried a number of reports in the past week about aggression by neo-Nazi groups against Vietnamese workers and other foreigners in Germany. There were 60,000 Vietnamese workers in former East Germany at the time of reunification one year ago, slightly over half of whom have been repatriated. Vietnamese officials could not immediately be reached for comment.

Swedish Organization's Representative Visits

BK0610070091 Hanoi VNA in English 0542 GMT 6 Oct 91

[Text] Hanoi VNA Oct. 5—Ms. Veronica Dahlem, representative of the Swedish Save the Children (Radda Barnen) in Vietnam, has visited "Continued Education" class for adults in Yen Bac Commune, Duy Tien District, Ha Nam Ninh Province.

This alernative education for working people has been introduced in the province to strengthen and promote the results of anti-illiteracy classes.

Ms Dahlem attended a lecture at the class on "UN Convention on the Rights of the Child" and Vietnam's "Law on Child Protection, Care and Education", which had been published with assistance from Radda Barnen.

She also called at some kindergartens and creches, and had discussions with the local administration on adult education.

Doan Khue Attends Party Organization Congress

BK0610140191 Hanoi NHAN DAN in Vietnamese 26 Sep 91, pp 1, 4

[Text] The fourth second-round party organization congress of the Fifth Military Region was convened in Da Nang City from 19-21 September. Attending the congress were 192 delegates representing 21 party organizations subordinate to the Fifth Military Region; General Doan Khue, member of the Political Bureau, deputy secretary of the party Central Committee Military Commission, and minister of national defense; the comrade secretaries of the Quang Nam-Da Nang, Gia Lai, Dac Lac, and Khanh Hoa provincial party committees; and representatives of provincial party committees in the military region.

Before convening the party organization congress, the standing body of the Fifth Military Region party committee organized a meeting for members of local party organizations to thoroughly study the Seventh Party Congress documents and amended party statutes. After studying the Seventh Party Congress documents, party members raised a number of concrete problems that our party and party committees at all levels must resolve. They also conducted criticism against erroneous concepts and opinions.

The congress devoted much time to discussing and setting forth orientations, policies, and tasks so that the military region can build firm and strong party organizations.

The congress heard reports assessing the results of party-building work achieved by the military region over the past several years on the political, ideological, organizational fronts, as well as its achievements in implementing cadre-related and mass mobilization tasks. The congress also pointed out shortcomings and analyzed their causes.

The congress set forth the orientations and tasks for the Fifth Military Region party organization to fulfill in the 1991-95 five-year period as follows: It is necessary to fully understand the Seventh Party Congress resolution and the resolution of the all-army party congress; to develop to a high degree the spirit of independence, sovereignty, and self-reliance; to constantly heighten revolutionary vigilance and strive to improve the aggregate strength of the armed forces and the all-people national defense; and to satisfactorily implement the task of defending the socialist fatherland, safeguarding national independence, sovereignty, security, and territorial integrity, and defending the party and the socialist regime. It is important to accelerate economic development and take concrete measures to ameliorate everyone's living conditions in order to contribute to improvements in the combat strength of the army and to develop the national economy.

Regarding party-building work, the congress stressed the need for the military region party organization to consolidate its political background so that it can provide comprehensive leadership in all fields and guide local army units to an outstanding fulfillment of their tasks. The congress elected the party organization executive committee, comprising thirteen comrades.

Le Kha Phieu Addresses Navy Party Congress

BK0610094291 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 29 Sep 91

[Text] The party organization of the people's Navy just concluded its seventh second-round congress of delegates with fine success. Attending the congress were more than 200 delegates from all basic party organizations in the Navy.

The congress spent much time discussing the report on the activities of the party organization during its 1986-90 term of office and its lessons from experience. It also decided on the guidelines to build up the Navy in the new stage; to concentrate on making its party organization politically, ideologically, and organizationally firm and strong; to intensify political and ideological work; and to develop to a high degree the sense of independence, self-reliance, industriousness, and frugality. All this is aimed at making the people's Navy firm and strong with a high fighting capacity so that it can successfully fulfill all of its duties, thereby contributing to the defense of the independence, sovereignty, security, and territorial waters of the country.

Addressing the congress, Comrade Lieutenant General Le Kha Phieu, member of the party Central Committee and standing member of its Military Commission and director of the General Political Department, spoke highly of the efforts of the people's Navy and profoundly analyzed its political work. He also contributed many of his views on the guidelines to develop the Navy—especially in the political and ideological aspects—and improve its fighting strength and level of combat readiness so that it can satisfactorily fulfill all of its tasks in the new stage.

Do Muoi Pays Visit to Railroad Enterprise

BK0610041891 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 30 Sep 91

[From the daily press review program]

[Text] The DUONG SAT VIETNAM [Vietnamese Railroad] Journal reported that General Secretary Do Muoi recently paid a working visit to the railroad transportation enterprise of zone one. After listening to the enterprise leading cadres report on the results of their business activities and prevalent difficulties, Comrade Do Muoi delivered a speech stressing the strategic role of the railroad transportation sector in developing the national economy. He said, however, that the sector's technical base is still weak while its business is operating at a loss.

He urged the entire sector to surge forward to uphold its important role, strive to overcome weaknesses and backwardness, and step by step modernize itself to contribute to extricating the national economy from the current crisis, thereby satisfactorily improving the people's daily life and promoting foreign cooperation.

He said that the sector should formulate strategies for improving the railroad transportation network in the days ahead in accordance with the Seventh Communist Party of Vietnam [CPV] Congress resolution while striving to uphold the important role of a state-run economic unit.

The sector's second round party organization congresses should formulate measures to satisfactorily implement the Seventh CPV Congress resolution so as to triumphantly renovate the railroad sector itself.

Council of Ministers Views Economic Issues

BK0510111391 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 4 Oct 91

[Text] The Council of Ministers met from 25-27 September under the chairmanship of Vo Van Kiet, its chairman, to discuss those issues regarding the management of state enterprises and foreign exchange, as well as the policy on interest rates for bank loans.

The Council of Ministers discussed and agreed on ways to handle various issues. The Office of the Council of Ministers and various ministries concerned were assigned to put what has been agreed upon into writing before submitting it to the Council of Ministers for dissemination in the near future.

At the meeting, the chairman of the Council of Ministers emphatically said: Of late, while implementing the new management mechanism, many state enterprises have operated effectively, thus contributing to the development of production and a stabilization of the socioeconomic situation. However, there still remain many enterprises that have performed poorly and, even worse, with a prolonged loss. From the state's point of view, guidance, inspection, and control by various sectors and echelons over state enterprises have been lax, particularly in the financial field. The state's policy and its system regarding the management of state enterprises have not been supplemented promptly and uniformly and are still fraught with loopholes. The situation regarding the management and utilization of foreign currencies in various sectors, echelons and production and business establishments has still been marked with confusion and waste. The policy on interest rates for bank loans has still been heavily dependent on state subsidy and has failed to satisfactorily demonstrate its role of encouraging production and business.

One of the Council of Ministers' most important duties is to manage the country's assets in as efficient a manner as possible, especially state property, and maintain and restore the economic order and the state's management efficiency with the aim of stabilizing the socioeconomic situation in accordance with the resolution of the Seventh Party Congress.

Various ministries and the people's committees at all levels should fully implement their state mangement functions toward state enterprises; go ahead with rearranging production; set up administrative councils among state enterprises; consolidate and strengthen those elements that are providing financial management for state enterprises at the Ministry of Finance and other responsible ministries; promptly resolve the problem of liquid capital for those state enterprises that are operating profitably; continue to go ahead with providing funds to enterprises in accordance with guidelines provided by the Ministry of Finance; and avoid committing unnecessary mistakes.

As for those enterprises to be dissolved, responsible sectors should provide strict guidance for the settlement of such problems as finance, labor, and the like, trying to ensure that this is carried out promptly and efficiently, according to policies.

Regarding foreign exchange management, Vietnamese socioeconomic organizations must use only Vietnamese currency to settle financial accounts among themselves. All those transactions with foreign countries that need foreign currencies must be handled through the banks. The opening of bank accounts overseas with foreign currencies must be strictly controlled. Foreign currencies must be used to serve those tasks already planned in conformity with the export-import mechanism. The exchange rate for buying or selling foreign currencies must be set by the state bank government, depending on market requirements. It is necessary to encourage people to bring in non-commercial foreign currencies into Vietnam and deposit them at banks. Account owners will enjoy interests paid in foreign currency and can withdraw their money when necessary.

With regard to the interest rate for bank loans, it is necessary to eliminate state-subsidy through bank loans in order to move toward earning positive interests and applying a single interest rate for bank loans to all economic components. Those production, business establishments or sectors needing a promotional policy will be supplied with a financial incentive policy.

As for guidance, the chairman of the Council of Ministers urged that efforts must be made to further improve the responsibility and the management performance of every ministry. Cabinet ministers are those who should take responsibility before the collective Council of Ministers for the management of the entire sectors concerned, especially for those production and business units under their direct jurisdiction. In the immediate future, it will be necessary to concentrate on providing satisfactory guidance for the rearrangement of the managerial mechanisms of ministries in order to help the ministers concerned satisfactorily carry out their state management functions and tasks, ensure the truly effective handling of activities in the entire sectors, resolve all activities promptly, flexibly, profoundly, and practically, and fight against bureaucracy and officialism.

It is necessary to rearrange various production and business organizations and service units in order to ensure that grass-roots units are made strong enough to go about their trade effectively, carry out economic accounting practically, and run their businesses profitably. We must promptly organize management councils for enterprises and share-holding corporations so that they contribute to putting the activities of economic units into order and a proper state, in acccordance with the law; and promptly do away with the tendency to wasteful spending, the loss of state property, a failure to keep their capital intact, and the like.

Cabinet ministers are to take direct responsibility for the state of waste, negativism, and corruption found in those units under their management. They must effect a drastic change for the better in restoring order in management, production, and business within their respective sectors if they are to develop various effective business models and rectify those units with poor performance; at the same time they must foster and discover those cadres with enough abilities and qualities in order to assign them to appropriate positions.

Ministries must renovate their work methods. Cabinet ministers must send their forces—ranging from planning to financial, statistics, inspection force, etc—down to the infrastructure to promptly address those problems now encountered by the infastructure.

The Council of Ministers as a whole and every one of its ministers and deputy ministers should resolve to overcome the ills of bureaucracy and red tape with practical activities if they are to serve the infrastructure and its laboring people well.

Cabinet ministers should reduce the amount of unnecessary time spent holding meetings at their respective ministries, minimize those foreign trips that are not urgent enough, and devote energy and time to going down to the infrastructure, especially those localities which are beset with countless difficulties and which need guidance from the Council of Minsiters.

The chairman of the Council of Minsiters proposes that various public organs and mass organizations, especially trade unions, help the Council of Ministers in providing guidance for satisfactory implementation of the above guidelines.

Oct 91 Issue of Army Journal Reviewed

BK0610120591 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 3 Oct 91

[Review of October 1991 issue of TAP CHI QUOC PHONG TOAN DAN]

[Summary] In its October 1991 issue, TAP CHI QUOC PHONG TOAN DAN carries an editorial titled: "Hold High the Banner of Marxism and Ho Chi Minh's Thought." The editorial criticizes the arguments of the imperialist, reactionary, and antisocialist forces about what they call the bankruptcy of Marxism, the end of socialism and communism, and the start of a post-communist era. "It seems that, as far as our country is concerned, some people also believe in these arguments, heedless of the fact that our people have opted for socialism."

The editorial maintains that, given the current situation, more than ever before we must hold high the banner of Marxism and Ho Chi Minh's thought, using it to shed light on erroneous concepts that have caused serious losses to socialism.

Next, the editorial raises a number of important issues related to the need to fully understand Marxism and Ho Chi Minh's thought and to apply them to the current socialist renovation undertaking in our country.

By way of giving comment on the constitutional draft amendments, in this issue the journal carries an article entitled: "Systematize the Party's Platform to Defend the Socialist Fatherland" by lawyer Le Duc Tuyet.

Next comes an article by Le Hong Uy, entitled: "Given the Current National and International Situations, Is It Still Possible to Combine National Strength With the Strength of the Era? And How Should One Go About Achieving That Combination?"

This is followed by a number of articles by Nguyen Chu Phat, Le Xuan Luu, and Nguyen Khoa Thinh dealing with army academies and military schools.

Appearing in "Vietnam's Military Thinking and the Party's Military Line—Research and Exchanges of Views" section are articles by Nguyen Viet Hung, Le Thoi Ngam, and Chu Minh Quang.

Most of the articles found in the "Exchanges of Views and Experiences" section concentrate on military training and come from officers directly in charge of the various army units.

In the "Renovating Theoretical Thinking and Data Information" section, the journal introduces an article by Trung Hieu dealing with some concepts about socialist construction in China.

Appearing in the "Foreign Military Documents" section are the following:

- An article titled "(? Air Engineering, Prediction and Facts") by (? Ma Gian Nguyen)
- An article titled "Logistical Supply, the Only Decisive Factor in the Gulf War" by Le Hoe.
- An article titled "Concerning the START Treaty" by Vu Hong Anh.

VNA Reviews Industrial News 3 Oct

BK0310151591 Hanoi VNA in English 1322 GMT 3 Oct 91

[Text] Hanoi VNA October 3—The Tan Binh Monosodium Glutamate Factory, under the Ministry of Agriculture and Food Industry, has signed a contract for selling to Novosibirsk and the Uran Industrial Zone of the Soviet Union two instant noodle production chains, each can turn out 40,000 packets/shift. The equipment, except the packing machines, was designed and manufactured by the factory.

"By September this year the Thanh Cong Textile Company (formerly the Thanh Cong Textile Mill) has signed with its Southeast Asian customers 12 contracts worth a total of USD 18 million, 4 million more than its plan for the whole year.

At present, 90 percent of its products find their outlet in Japan. Many firms from Taiwan, South Korea and Thailand are discussing with Thanh Cong the cooperation in production and marketing products.

Australia

Business Mission to RSA Delayed Over Sanctions

BK0410100891 Hong Kong AFP in English 0935 GMT 4 Oct 91

[Text] Canberra, Oct 4 (AFP)—A major Australian business mission to South Africa planned for next month has been postponed because the expected easing of commercial sanctions is not proceeding as expected, organisers said Friday.

The Confederation of Australian Industry (CAI) announced its decision a few days before South African Foreign Minister Pik Botha's scheduled visit here for talks with Australian Government leaders.

The postponement follows the cancellation recently of a visit planned for October by Australian Prime Minister Bob Hawke to South Africa because reforms were not moving fast enough.

CAI international director general, Malcolm Overland, said many Australian companies interested in developing commercial contacts with South Africa believe it appropriate to delay the visit until it became clearer what changes would mean for business.

"As well, since the easing of commercial sanctions is unlikely to proceed as rapidly as was earlier thought the case, formalising business linkages will continue to be difficult until such time as the sanctions are lifted," he said.

His statement added that the mission would be put off until the first half of 1992.

Botha, the first South African foreign minister to visit Australia for at least 20 years, will attempt to convince Canberra to speed up the lifting of economic, financial and "people" sanctions against his country.

But foreign affairs officials here said Australia would not take further action to lift sanctions before the Commonwealth Heads of Government Meeting in Harare, Zimbabwe, beginning on October 16.

Australia and other Commonwealth countries agreed in January to progressively lift sporting sanctions, shifting the onus for approving links onto international sporting organisations.

But air links, the issuing of (word indistinct) and cultural links remain banned and Australian officials said they would remain so until Pretoria satisfied international conditions on the release of political prisoners and the return of political exiles.

Pretoria wants an accelerated lifting of the "people sanctions" like air links and progress on lifting the economic and financial sanctions which have severely affected the South African business community.

Initial euphoria about President F.W. De Klerk's decision to repeal the apartheid laws and begin talks with the nationalist African National Congress has faded however.

Australian officials have refused to reveal exact details of Botha's itinerary because of potential demonstrations although it is known that he will arrive here early Monday.

He will meet Foreign Affairs Minister Gareth Evans for talks on Monday afternoon, hold another press conference and then meet Hawke.

He left Johannesburg early Friday, flying to Taiwan for talks with President Li Teng-Hui.

South African Government sources said Botha would try to convince Australia to allow De Klerk to visit next year.

Evans said he would make it clear to Botha that Australia wanted negotiations on constitutional reform to "actually get moving and to produce some results and that there should be no more delay or backsliding."

New Zealand

State Television Sells Service to Western Samoa

BK0810095291 Hong Kong AFP in English 0917 GMT 8 Oct 91

[Text] Wellington, Oct 8 (AFP)—State owned Television New Zealand (TVNZ) is to establish a television service in Western Samoa, the company said Tuesday.

The Western Samoa Government had approved TVNZ's proposal in principle and a working committee of government officials and TVNZ executives could meet to discuss details within the next two weeks, TVNZ chief executive Julian Mounter said in a statement.

The decision to accept TVNZ's proposal represented a significant development for the company's Pacific service operation and a further step towards "internationalisation," he said.

Nauru, the Cook Islands and Niue already took the service and the company was also operating a temporary service in Suva, Fiji and in Western Samoa for the length of the Rugby World Cup.

The service was set up to enable Pacific Island countries to establish locally produced, low-cost television services, Mounter said.

The company also provided general programmes distributed by videotape and also live news, current affairs and sports transmitted using TVNZ's satellite network.

Since the early 1960s Western Samoa has received up to five channels from neighbouring American Samoa.